

HB 2185 A STAFF MEASURE SUMMARY

Senate Committee On Health Care

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Meeting Dates: 4/22

WHAT THE MEASURE DOES:

Prohibits pharmacy benefit managers (PBMs) from barring network pharmacies from offering delivery of prescription drugs by mail. Prohibits pharmacies from making a claim for reimbursement for the cost of delivery of prescription drugs unless agreed to by the PBM and requires pharmacies to disclose delivery fees to customers at the time of purchase. Prohibits PBMs from restricting or penalizing a network pharmacy from informing an enrollee of the difference between out-of-pocket cost to the enrollee to purchase a prescription drug and the pharmacy's retail price for the drug. Defines "out-of-pocket cost" and "plan."

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Pharmacy benefit managers are intermediaries between health insurers, pharmacies, wholesalers, and manufacturers. Most health insurers contract with PBMs to provide third-party administrative services for insurer's pharmacy benefit, with the goal of cost-containment. PBM services can include claims processing, formulary, and benefit design (tiers, utilization management, cost-sharing), pharmacy network contracting, and rebate negotiation with manufacturers. Additional services PBMs provide include administration of mail order or specialty pharmacy services. Insurers can choose if and what services they contract with PBMs to perform on their behalf. In Oregon, 55 PBMs are currently registered with the Department of Consumer and Business Services.

House Bill 2185-A establishes new restrictions on pharmacy benefit managers in Oregon.

HHC Vote: 11-0

House Floor Vote: 58-0