

SB 138 A STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Tom MacDonald, Budget Analyst

Meeting Dates: 5/30, 6/7

WHAT THE MEASURE DOES:

Reestablishes the Mental Health Clinical Advisory Group (Advisory Group) in the Oregon Health Authority (OHA). Specifies membership of the Advisory Group. Requires the Advisory Group to make recommendations to the Pharmacy and Therapeutics Committee. Requires the Advisory Group to report annually to Legislative Assembly on recommendations by December 31, 2020 on evidence-based algorithm development progress. Defines "mental health drug." Requires OHA to reimburse the cost of mental health drugs if federal financial participation is available. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Purpose of the Mental Health Clinical Advisory Group
- Fiscal impact of the measure
- Supporting cost of group in OHA budget bill instead of appropriation in SB 138

EFFECT OF AMENDMENT:

Eliminates General Fund appropriation in bill.

BACKGROUND:

House Bill 3624 (2003) prohibited the Department of Human Services (DHS), the agency then responsible for administering the state's Medicaid program (the Oregon Health Plan) from establishing capitation rates that included payment for mental health drugs and required DHS to reimburse mental health drugs only on a fee-for-service basis. House Bill 2126 (2009) excluded mental health drugs from the requirement that prescription drugs only be reimbursed if they are included on the Practitioner-Managed Prescription Drug Plan. While this exclusion sunset on January 2, 2018, House Bill 2300 (2017) included the requirement that OHA reimburse the cost of mental health drugs if federal financial participation is available. Taken together, these provisions "carve out" mental health drugs from the application of the state's Preferred Drug List or coordinated care organizations' formularies.

In 2017, the Legislative Assembly passed House Bill 2300, which initially established the Mental Health Clinical Advisory Group (Advisory Group) in the Oregon Health Authority (OHA). The Advisory Group sunset on December 31, 2018. The Advisory Group's legislative mandate was to provide recommendations on:

- Implementation of evidence-based algorithms
- Changes needed to any preferred drug list used by the OHA
- Practice guidelines for the treatment of mental health disorders with mental health drugs

Senate Bill 138 reestablishes the Mental Health Clinical Advisory Group to develop algorithms and recommendations for managing mental health treatments and prescription drugs within the Oregon Health Plan. The 2019-21 funding related to this proposal is reflected in OHA Policy Option Package 411.