

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3397 - A3

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Kim To
Reviewed by: Tom MacDonald
Date: June 5, 2019

Measure Description:

Requires Oregon Health Authority to contract with person to be purchasing agent to assist authority in purchasing prescription drugs for medical assistance recipients.

Government Unit(s) Affected:

Oregon Health Authority (OHA)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2019-21 Biennium	2021-23 Biennium
General Fund		
Personal Services	86,282	86,282
Services and Supplies	24,846	24,846
Total Funds	\$111,128	\$111,128
Positions	1	1
FTE	0.50	0.50

Analysis:

HB 3397 with the -A3 amendment establishes the Oregon Medicaid Purchasing Cooperative as an advisory committee to the Oregon Health Authority and the Pharmacy and Therapeutics Committee. The cooperative is charged with identifying opportunities to lower costs in purchasing prescription drugs. OHA is directed to provide staff support to the cooperative. In addition, the measure permits OHA to enter into an agreement with a third party to assist the authority by acting as a purchasing agent to ensure that the authority pays the lowest cost for any prescription drug purchased for recipients of medical assistance in Oregon. The measure requires OHA to report to the Legislature on the activities of the Pharmacy and Therapeutics Committee and the Oregon Medicaid Purchasing Cooperative. The measure contains an emergency clause and takes effect on passage.

OHA estimates the fiscal impact of this measure to be \$111,128 General Fund and one position (0.50 FTE) per biennium. This amount reflects the staffing costs of one Administrative Specialist 2 position to provide clerical and administrative support to the Oregon Medicaid Purchasing Cooperative.