

**Legislative
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**Joint Committee on
Ways and Means**

Sen. Betsy Johnson, Senate Co-Chair
Sen. Elizabeth Steiner Hayward, Senate Co-Chair
Rep. Dan Rayfield, House Co-Chair

Sen. Jackie Winters, Senate Co-Vice Chair
Rep. David Gomberg, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Human Services Subcommittee
From: Tom MacDonald, Legislative Fiscal Office
Date: June 10, 2019
Subject: HB 3397 – Relating to prescription drugs

House Bill 3397 directs the Oregon Health Authority (OHA) to enter into an agreement with a third-party purchasing agent to ensure OHA pays the lowest cost for prescription drugs purchased for medical assistance recipients. The bill also establishes the Oregon Medicaid Purchasing Cooperative as an advisory committee to OHA and the Pharmacy and Therapeutics Committee to identify opportunities to lower the cost of prescription drug purchases. OHA must annually report to the legislature regarding prescription drug rebate collections, the activities of the committee and the cooperative, and the results of aligning the preferred drug list for medical assistance recipients enrolled in coordinated care organizations (CCOs) with the list for those not enrolled in CCOs.

The -A2 amendment establishes a \$111,128 General Fund appropriation consistent with the bill's fiscal impact. This appropriation will fund one position (0.50 FTE) to support the work of the cooperative. The -A3 amendment makes permissive the requirement for OHA to enter into an agreement with a third-party purchasing agent by changing "shall" to "may."

Recommended Amendments

LFO recommends adoption of the -A2 amendment.

MOTION: I move adoption of the -A2 amendment to HB 3397 (VOTE)

LFO recommends adoption of the -A3 amendment.

MOTION: I move adoption of the -A3 amendment to HB 3397 (VOTE)

Final Subcommittee Action

LFO recommends HB 3397, as amended by the -A2 and -A3 amendments, be moved to the Ways and Means Full Committee.

MOTION: I move HB 3397, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____