

HB 3397 A -A2, -A3 STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Tom MacDonald, Budget Analyst

Meeting Dates: 6/10

WHAT THE MEASURE DOES:

Directs the Oregon Health Authority (OHA) to pay the lowest net cost for any prescription drug purchased, after rebates, for individuals enrolled in medical assistance using a purchasing agent. Requires OHA to report annually to the Legislative Assembly on the activities of the Pharmacy and Therapeutics (P&T) Committee and the Oregon Medicaid Purchasing Cooperative on savings to the state attributable to rebates; and on the results of alignment of the preferred drug list for individuals enrolled in coordinated care organizations (CCOs) and those not enrolled. Requires OHA to develop and issue a request for proposals to contract with a third party to act as a purchasing agent. Creates the Oregon Medicaid Purchasing Cooperative (Cooperative) to advise OHA, the P&T Committee, and the purchasing agent on the Practitioner-Managed Prescription Drug Plan and prescription drug purchasing in the medical assistance program. Specifies membership, responsibilities, and appointing authority of the Cooperative. Authorizes Cooperative to meet in executive session. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-A2 Establishes General Fund appropriation of \$111,128 in OHA

-A3 Makes permissive the requirement for OHA to enter into an agreement with a third-party purchasing agent

BACKGROUND:

In 2001, the Legislative Assembly enacted Senate Bill 819 creating the Practitioner-Managed Prescription Drug Plan (PMPDP). The PMPDP requires the state's Medicaid plan, the Oregon Health Plan (OHP), to maintain a list of the most cost-effective drugs to prescribe for fee-for-service enrollees (i.e., those not enrolled in managed care). This list is called the Preferred Drug List (PDL). New prescriptions for physical health drugs not listed on the PDL require prior authorization, meaning a health care provider must obtain approval from a health plan before the prescription can be filled.

The Pharmacy and Therapeutics Committee (committee) is an 11-member advisory committee of physicians, pharmacists, and consumer representatives. The committee is responsible for reviewing drug use and making drug policy recommendations for OHP. According to the committee, its mission is to encourage safe, effective, and innovative drug policies that promote high-value medications for patients served by OHP and other health care programs under the Oregon Health Authority (OHA). This is achieved by evidence-based committee review of drug use research, clinical guidance and education, making recommendations to OHA, and maintaining the state's PDL. In its work, the committee considers in order of priority: the safety and efficacy of the drugs being considered, the ability of Oregonians to access effective prescription drugs that are appropriate for their clinical conditions, and substantial differences in costs of drugs within the same therapeutic class.

House Bill 3397 establishes a cooperative to purchase prescription drugs for enrollees covered by the Oregon Health Plan.