

HB 2678 A STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Tom MacDonald, Budget Analyst

Meeting Dates: 6/10

WHAT THE MEASURE DOES:

Authorizes the Oregon Health Authority (OHA) to utilize prior authorization for prescription drugs, except mental health drugs, that are not listed on the Practitioner-Managed Prescription Drug Plan and are reimbursed by Medicaid on a fee-for-service basis. Allows OHA to adopt and maintain a preferred drug list (PDL) for prescription drugs reimbursed on a fee-for-service basis and a partially aligned PDL for prescription drugs reimbursed through a coordinated care organization's (CCO) global budget. Specifies that PDLs and partially aligned PDLs are to: improve the health of medical assistance recipients, simplify prescribing, ensure consistent prescribing practices, reduce costs, and have minimal disruptive effect on enrollees. Provides appeal process for denial of coverage of a prescription drug by health care professionals, CCOs, or OHA. Requires OHA to update the partially aligned PDL regularly with CCOs through a collaborative process.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

Requires OHA to approve prior authorization of a drug not on the preferred drug list if a practitioner provides evidence of the drug being clinically superior to a drug on the list for the patient's treatment regimen.

BACKGROUND:

States have passed and continue to explore legislation and policies to control spending on prescription drugs in Medicaid programs, to assist enrollees with drug expenses. An example is the use of formularies or preferred drug lists (PDLs). Medicaid managed-care organizations normally require that enrollees use prescription drugs from a formulary or PDL, which limits choices to preferred cost-effective drugs within various "families" of drugs for different conditions (therapeutic class). Drugs on the list usually require a co-pay from the enrollee, and a higher co-pay for a drug that is not on the list (Oregon Medicaid has no co-pays compared to commercial health plans). The list may be multi-tiered, meaning that the lowest co-pay amount may be for generic drugs, the next highest co-pay for brand-name drugs on the list, and the highest co-pays for brand-name drugs that are not on the list. Some programs require prior authorization before a drug that is not on the list can be dispensed, which means the prescriber must receive approval from the program that is paying for the drug before the patient's prescription can be filled.

Oregon's Practitioner-Managed Prescription Drug Plan (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., open-card OHP patients). This list is OHP's PDL.

House Bill 2678 allows the Oregon Health Authority (OHA) to utilize prior authorization for prescription drugs, maintain a PDL for fee-for-service members, and create a partially aligned PDL for members enrolled in CCOs.