

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2658

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

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

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Measure Description:

Requires manufacturer of prescription drugs to report to Department of Consumer and Business Services planned increase in price of certain prescription drugs at least 60 days before date of increase.

Government Unit(s) Affected:

Department of Consumer and Business Services (DCBS)

Summary of Fiscal Impact:

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

Analysis:

This measure requires that pharmaceutical manufacturers report to the Department of Consumer and Business Services (DCBS) at least 60 days before a planned increase in cost of a prescription for which the price is \$100 or more for a one-month supply or for a course of treatment lasting less than one month, and if there is a cumulative increase of 10 percent in the price of a drug in the past 12 months.

DCBS will implement this measure using the administrative framework developed as a result of House Bill 4005 (2018), which created the Oregon Prescription Drug Price Transparency Program at DCBS. This program provides the public with information from prescription drug manufacturers on the cost and pricing of certain prescription drugs in the state.

DCBS anticipates the following impacts for administration of this measure:

- Establishing an advisory committee to prescribe reporting content and form: *80 hours of staff time*
- Modifications to DCBS' existing Drug Pricing Transparency Program reporting system: *1,375 IT development hours*

Establishment of an advisory committee can be absorbed by current DCBS staff.

Modifications to the Drug Pricing reporting system are estimated to cost \$96,250 Other Funds. These funds will be transferred from DCBS' Division of Financial Regulation, which houses the Prescription Drug Price Transparency Program, to DCBS' Central Service Division, which houses the agency's IT services. This measure does not designate a funding mechanism, so these costs would be paid from existing agency revenue streams.