

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2679 - A

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: April 5, 2019

Measure Description:

Directs administrator of Oregon Prescription Drug Program to cooperate with State of California in bulk purchase of prescription drugs.

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	242,204	
Services and Supplies	60,705	
Total Funds	\$302,909	\$0
Positions	3	
FTE	1.00	

Analysis:

HB 2679 directs the administrator of the Oregon Prescription Drug Program to solicit from the appropriate authorities in the State of California an agreement to cooperate in the bulk purchase of prescription drugs. The administrator must report to the Legislature by December 1 of each year, beginning in 2020, on the status of the solicitation and any response received from the State of California to the solicitation. These provisions sunset on January 2, 2022. In addition, the measure removes language from statute prohibiting the administrator from contracting with a pharmacy benefit manager and establishing a state-managed wholesale or retail drug distribution or dispensing system. The measure specifies that the administrator may not require pharmacies to maintain or allocate separate inventories for prescription drugs dispensed through the program, except as necessary to enter into or carry out an agreement for the bulk purchasing of prescription drugs.

The Oregon Health Authority (OHA) estimates the fiscal impact of this measure to be \$302,909 General Fund and 3 part-time, limited duration positions (1.00 FTE) for the 2019-21 biennium. Currently, Oregon is part of the Northwest Prescription Drug Consortium serving the states of Oregon and Washington. OHA reports that to comply with the provisions of this measure, the authority would need the following staff to approach the State of California to forge an agreement:

- One half-time Operations and Policy Analyst 4 position to serve as the lead in establishing connections and working with relevant staff in California, the consortium, and other purchasing vehicles in Oregon.
- One quarter-time Pharmacy Manager 2 position to provide clinical support to purchasing decisions.
- One quarter-time Administrative Specialist 2 position to support the work of the implementation team and ensure meetings and project components stay on track.