

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2680 - 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	579,148	
Services and Supplies	97,209	
Total Funds	\$676,357	\$0
Positions	3	
FTE	2.25	

Analysis:

HB 2680 directs the administrator of the Oregon Prescription Drug Program to solicit from each Canadian province and territory an agreement to cooperate in bulk purchase of prescription drugs. This provision sunsets 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 \$676,357 General Fund and 3 limited duration positions (2.25 FTE) for 18 months of 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 Canadian provinces and territories to forge an agreement:

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