

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2678 - A**

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 Oregon Health Authority to adopt partially aligned preferred drug list for coordinated care organizations. Subject to exceptions, allows authority to require prior authorization for prescription drugs that are not listed on Practitioner-Managed Prescription Drug Plan and that are reimbursed on fee-for-service basis.

**Government Unit(s) Affected:**

Oregon Health Authority (OHA), Oregon Board of Pharmacy (OBOP), Oregon Medical Board (OMB), Oregon State Board of Nursing (OSBN)

**Summary of Fiscal Impact:**

Costs related to the measure may require budgetary action - See analysis.

**Summary of Expenditure Impact:**

	<b>2019-21 Biennium</b>	<b>2021-23 Biennium</b>
Personal Services	86,282	86,282
Services and Supplies	24,846	24,846
<b>Total Funds</b>	<b>\$111,128</b>	<b>\$111,128</b>
Positions	1	1
FTE	0.50	0.50

**Analysis:**

HB 2678 requires prescriptions to be dispensed in the generic form unless the practitioner prescribes otherwise and prior authorization is granted. The bill allows Oregon Health Authority (OHA) to withhold payment for drugs not on the prioritized list. The bill requires OHA to adopt and maintain a Practitioner-Managed Prescription Drug Plan for fee-for-service and a partially aligned preferred drug list for Coordinated Care Organizations (CCO). The bill specifies the purpose of the plan, allows a recipient to appeal a denied claim, and requires OHA to update the list regularly through a collaborative process with CCOs.

Oregon Health Authority (OHA)

OHA estimates the fiscal impact of this bill to be \$111,128 General Fund and one position (0.50 FTE) per biennium. This amount is the salary and related expenses for one part-time Administrative Specialist 2 position to support the Pharmacy and Therapeutics Committee in complying with requirements to update the partially aligned Preferred Drug List regularly through a collaborative process engaging all of the coordinated care organizations. This position will help OHA engage with CCOs in a more formal process to establish a sub-committee that serves in an advisory role to the Pharmacy and Therapeutics Committee to select the limited list of aligned drug classes.

Although the intent of this bill is to improve health, simplify prescribing, and minimize treatment disruption while reducing costs, potential savings are indeterminate, at this time. Further study is needed to determine how many clients utilize the drugs on the Preferred Drug List, the impact the increased costs on CCO rates, the additional administrative costs, and the amount of drug rebates in order to determine the potential savings.

Oregon Board of Pharmacy (OBOP), Oregon Medical Board (OMB), Oregon State board of Nursing (OSBN)

Passage of this bill is anticipated to have minimal fiscal impact to the Oregon Board of Pharmacy, the Oregon Medical Board, and the Oregon State board of Nursing.