

Requested by Representative NOSSE (at the request of the Oregon Health Authority)

**PROPOSED AMENDMENTS TO
HOUSE BILL 2689**

1 On page 1 of the printed bill, line 2, after “413.032” insert “and 414.312”.

2 On page 5, after line 13, insert:

3 After line 9, insert:

4 **“SECTION 10.** ORS 414.312 is amended to read:

5 “414.312. (1) As used in ORS 414.312 to 414.318:

6 “(a) ‘Pharmacy benefit manager’ means an entity that negotiates and ex-
7 ecutes contracts with pharmacies, manages preferred drug lists, negotiates
8 rebates with prescription drug manufacturers and serves as an intermediary
9 between the Oregon Prescription Drug Program, prescription drug manufac-
10 turers and pharmacies.

11 “(b) ‘Prescription drug claims processor’ means an entity that processes
12 and pays prescription drug claims, adjudicates pharmacy claims, transmits
13 prescription drug prices and claims data between pharmacies and the Oregon
14 Prescription Drug Program and processes related payments to pharmacies.

15 “(c) ‘Program price’ means the reimbursement rates and prescription drug
16 prices established by the administrator of the Oregon Prescription Drug
17 Program.

18 “(2) The Oregon Prescription Drug Program is established in the Oregon
19 Health Authority. The purpose of the program is to:

20 “(a) Purchase prescription drugs, replenish prescription drugs dispensed
21 or reimburse pharmacies for prescription drugs in order to receive discounted

1 prices and rebates;

2 “(b) Make prescription drugs available at the lowest possible cost to
3 participants in the program as a means to promote health;

4 “(c) Maintain a list of prescription drugs recommended as the most ef-
5 fective prescription drugs available at the best possible prices; and

6 “(d) Promote health through the purchase and provision of discount pre-
7 scription drugs and coordination of comprehensive prescription benefit ser-
8 vices for eligible entities and members.

9 “(3) The Director of the Oregon Health Authority shall appoint an ad-
10 ministrator of the Oregon Prescription Drug Program. The administrator
11 may:

12 “(a) Negotiate price discounts and rebates on prescription drugs with
13 prescription drug manufacturers or group purchasing organizations;

14 “(b) Purchase prescription drugs on behalf of individuals and entities that
15 participate in the program;

16 “(c) Contract with a prescription drug claims processor to adjudicate
17 pharmacy claims and transmit program prices to pharmacies;

18 “(d) Determine program prices and reimburse or replenish pharmacies for
19 prescription drugs dispensed or transferred;

20 “(e) Adopt and implement a preferred drug list for the program;

21 “(f) Develop a system for allocating and distributing the operational costs
22 of the program and any rebates obtained to participants of the program; and

23 “(g) Cooperate with other states or regional consortia in the bulk pur-
24 chase of prescription drugs.

25 “(4) The following individuals or entities may participate in the program:

26 “(a) Public Employees’ Benefit Board, Oregon Educators Benefit Board
27 and Public Employees Retirement System;

28 “(b) Local governments as defined in ORS 174.116 and special government
29 bodies as defined in ORS 174.117 that directly or indirectly purchase pre-
30 scription drugs;

1 “(c) Oregon Health and Science University established under ORS 353.020;

2 “(d) State agencies that directly or indirectly purchase prescription drugs,
3 including agencies that dispense prescription drugs directly to persons in
4 state-operated facilities;

5 “(e) Residents of this state who lack or are underinsured for prescription
6 drug coverage;

7 “(f) Private entities; and

8 “(g) Labor organizations.

9 “(5) The administrator may establish different program prices for phar-
10 macies in rural areas to maintain statewide access to the program.

11 “(6) The administrator may establish the terms and conditions for a
12 pharmacy to enroll in the program. A licensed pharmacy that is willing to
13 accept the terms and conditions established by the administrator may apply
14 to enroll in the program.

15 “(7) [*Except as provided in subsection (8) of this section,*] The administrator
16 may not[:]

17 “[*(a) Contract with a pharmacy benefit manager;*]

18 “[*(b) Establish a state-managed wholesale or retail drug distribution or*
19 *dispensing system; or*]

20 “[*(c)*] require pharmacies to maintain or allocate separate inventories for
21 prescription drugs dispensed through the program, **except as necessary to**
22 **enter into or carry out an agreement for the bulk purchasing of pre-**
23 **scription drugs.**

24 “(8) The administrator shall contract with one or more entities to perform
25 any of the functions of the program, including but not limited to:

26 “(a) Contracting with a pharmacy benefit manager and directly or indi-
27 rectly with such pharmacy networks as the administrator considers necessary
28 to maintain statewide access to the program.

29 “(b) Negotiating with prescription drug manufacturers on behalf of the
30 administrator.

1 “(9) Notwithstanding subsection (4)(e) of this section, individuals who are
2 eligible for Medicare Part D prescription drug coverage may participate in
3 the program.

4 “(10) The program may contract with vendors as necessary to utilize dis-
5 count purchasing programs, including but not limited to group purchasing
6 organizations established to meet the criteria of the Nonprofit Institutions
7 Act, 15 U.S.C. 13c, or that are exempt under the Robinson-Patman Act, 15
8 U.S.C. 13.”.

9 In line 14, delete “10” and insert “11”.

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