

Requested by SENATE COMMITTEE ON HEALTH CARE

**PROPOSED AMENDMENTS TO
SENATE BILL 409**

1 On page 2 of the printed bill, line 3, after “to” insert “develop a plan
2 to”.

3 Delete lines 6 through 45 and delete pages 3 and 4 and insert:

4 **“SECTION 1. The State Board of Pharmacy shall study the feasi-
5 bility of implementing, and develop a plan to implement, a wholesale
6 prescription drug importation program in which the state is a licensed
7 wholesaler that imports prescription drugs from an authorized
8 Canadian supplier for distribution to voluntarily participating phar-
9 macies and providers for the purpose of dispensing to Oregon residents
10 pursuant to validly issued prescriptions.**

11 **“SECTION 2. The State Board of Pharmacy may consult with rele-
12 vant stakeholders and federal offices and agencies in carrying out
13 section 1 of this 2019 Act, and with the Attorney General to identify
14 the potential for anticompetitive behavior in the industries that would
15 be affected by an importation program. The plan required under sec-
16 tion 1 of this 2019 Act must provide that:**

17 **“(1) A state agency become a licensed wholesaler for the purpose
18 of seeking federal certification and approval to import safe pre-
19 scription drugs that will provide savings to Oregon consumers;**

20 **“(2) The program use Canadian suppliers regulated under the ap-
21 propriate Canadian and provincial laws;**

1 **“(3) The program have a process to sample the purity, chemical**
2 **composition and potency of imported products;**

3 **“(4) The program import only those prescription drugs expected to**
4 **generate substantial savings for Oregon consumers;**

5 **“(5) The program ensure that imported products will not be dis-**
6 **tributed, dispensed or sold outside the borders of this state;**

7 **“(6) The program ensure that voluntarily participating state-**
8 **licensed pharmacies and administering providers charge individual**
9 **consumers and health plans the actual acquisition cost of the dis-**
10 **persed imported product;**

11 **“(7) The program ensure that health plan payment of the product**
12 **component of pharmacy and provider billing reimburses no more than**
13 **the actual acquisition cost of the dispensed imported product;**

14 **“(8) The program ensure that participating health plans keep their**
15 **formularies and claims payment systems up to date with the pre-**
16 **scription drugs provided through the importation program;**

17 **“(9) The program ensure that participating health plans base pa-**
18 **tient cost sharing on no more than the actual acquisition cost of the**
19 **dispensed imported product;**

20 **“(10) The program require participating health plans to demonstrate**
21 **to the board how savings on imported products are reflected in pre-**
22 **miums;**

23 **“(11) The profit margin of any participating wholesaler or distribu-**
24 **tor of imported products be limited to a specified amount established**
25 **by the board;**

26 **“(12) The program not import generic products that would violate**
27 **United States patent laws on United States branded products;**

28 **“(13) The program comply with the requirements of 21 U.S.C.**
29 **360eee and 360eee-1, pertaining to the track and trace requirements as**
30 **enacted in Title II of the Drug Quality and Security Act (P.L. 113-54),**

1 to the extent practical and feasible before imported products come into
2 possession of the state wholesaler, and comply fully after imported
3 products are in the possession of the state wholesaler;

4 “(14) The program be adequately financed through a fee on each
5 prescription or another appropriate approach, but that the size of the
6 fee not jeopardize significant consumer savings;

7 “(15) The program will meet relevant requirements of 21 U.S.C. 384,
8 including safety and cost savings; and

9 “(16) That the program include an audit function to ensure that:

10 “(a) The board has a sound methodology by which to determine the
11 most cost-effective products to include in the importation program on
12 an ongoing basis;

13 “(b) The board has processes in place to select Canadian suppliers
14 of high quality and high performance that are in full compliance with
15 Canadian and provincial laws and regulations and with Oregon phar-
16 macy or wholesaler laws;

17 “(c) Imported products under the state program are not distributed,
18 dispensed or sold outside this state once in the possession of the state
19 wholesaler;

20 “(d) Imported products are pure, unadulterated, potent and safe;

21 “(e) Participating pharmacies and administering providers are not
22 charging more than the actual acquisition cost to any consumer or
23 any participating health plan;

24 “(f) Participating health plan formularies and claims processing
25 systems remain up to date with all relevant aspects of the importation
26 program;

27 “(g) Participating health plans base patient coinsurance and other
28 cost sharing on the actual acquisition cost of covered imported pro-
29 ducts;

30 “(h) Participating health plans reimburse participating pharmacies

1 and administering providers for the actual acquisition cost of the dis-
2 pensed imported product;

3 “(i) The program is adequately financed to support all administra-
4 tive functions while generating significant consumer savings;

5 “(j) The program does not put consumers at higher risk than if the
6 program did not exist; and

7 “(k) The program continues to provide Oregon consumers with
8 substantial savings on prescription drugs.

9 **“SECTION 3. The State Board of Pharmacy shall submit the plan**
10 **described in section 2 of this 2019 Act, and a report with findings and**
11 **recommendations for legislation, in the manner provided in ORS**
12 **192.245, to an interim committee of the Legislative Assembly related**
13 **to health care not later than June 30, 2020. The board shall include in**
14 **the report submitted under this section an analysis of the cost-benefit**
15 **ratio of an importation program at five years and 10 years after the**
16 **date of implementation.**

17 **“SECTION 4. This 2019 Act takes effect on the 91st day after the**
18 **date on which the 2019 regular session of the Eightieth Legislative**
19 **Assembly adjourns sine die.”.**

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