

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4030 - 1

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Kim To
Reviewed by: Tom MacDonald, Matt Stayner
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Measure Description:

Modifies and delays implementation of requirements for pharmacy benefit managers.

Government Unit(s) Affected:

Oregon Board of Pharmacy (OBOP), Department of Consumer and Business Services (DCBS), Oregon Health Authority (OHA)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

HB 4030 delays the effective date of the requirements codified in HB 2185 (2019) from January 1, 2021 to July 1, 2021. Current law requires Pharmacy Benefit Managers (PBMs) to register with the Department of Consumer and Business Services (DCBS) to conduct business in Oregon. HB 2185 (2019) imposed additional market conduct requirements that go into effect for pharmacy benefits on contracts entered into, renewed or extended on or after January 1, 2021. In addition, the -1 amendment carves out the existing provision in the bill that prohibits a PBM from retroactively denying or reducing a claim for reimbursement unless certain conditions exist. The amendments set the effective date of this provision to January 1, 2021.

Oregon Educators Benefit Board (OEBB), Public Employees Benefits Board (PEBB)

The fiscal impact to PEBB and OEBB is indeterminate, pending actuarial analysis from the Boards’ consultants. In the absence of this information, the fiscal impact is indeterminate. If this information is provided, the Legislative Fiscal Office (LFO) will issued a revised statement.

Note that any proposed legislation resulting in a fiscal impact on revenues or expenditures with regard to insurance premiums provided by OEBB may impact any educational entity that has mandated or elective coverage under OEBB. This includes school districts, community colleges, education service districts and some charter schools. Similarly, any proposed legislation resulting in a fiscal impact on revenues or expenditures with regard to insurance premiums provided by PEBB may have an impact on state agencies because about 40% to 45% of PEBB premium resources come from state agencies’ flexible benefits payroll General Fund budget.

Department of Consumer and Business Services (DCBS), Oregon Board of Pharmacy (OBOP)

The fiscal impact of this bill on DCBS and OBOP is minimal. DCBS and OBOP will use existing staff and resources to comply with the provisions of the bill.