

HB 4030 A STAFF MEASURE SUMMARY

Carrier: Sen. Beyer

Senate Committee On Health Care

Action Date: 02/25/20

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 3-0-1-1

Yeas: 3 - Beyer, Knopp, Monnes Anderson

Exc: 1 - Fagan

Abs: 1 - Linthicum

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

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Meeting Dates: 2/25

WHAT THE MEASURE DOES:

Clarifies that pharmacy benefit managers (PBMs) shall reimburse the cost of a specialty drug filled or refilled at a network pharmacy for individuals residing in a long-term care facility. Delays implementation of House Bill 2185 (2019) from January to July 1, 2021. Exempts retroactive reimbursement provisions from July 1, 2021 delayed implementation. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- History of House Bill 2185 (2019)
- Definition of "specialty pharmacy"

EFFECT OF AMENDMENT:

Exempts retroactive reimbursement provisions from July 1, 2021 delayed implementation.

BACKGROUND:

Pharmacy benefit managers (PBMs) are intermediaries between health insurers, pharmacies, wholesalers, and manufacturers. Most health insurers contract with PBMs to provide third-party administrative services for insurer's pharmacy benefits, with the goal of cost-containment. PBM services can include claims processing, formulary and benefit design (tiers, utilization management, cost-sharing), pharmacy network contracting, and rebate negotiation with manufacturers. Additional services PBMs provide include administration of mail order or specialty pharmacy services. Insurers can choose if and what services they contract with PBMs to perform on their behalf. In Oregon, PBMs are required to register with the Department of Consumer and Business Services. In 2019, House Bill 2185 passed, which established new restrictions on PBMs in Oregon including mail order, specialty pharmacy prescriptions, and reimbursement processes between PBMs and pharmacies.

House Bill 4030-A delays implementation of specified provisions of House Bill 2185 (2019) from January to July 1, 2021.