

SB 848 -2, -3 STAFF MEASURE SUMMARY

Senate Committee On Health Care

Prepared By: Brian Nieubuurt, LPRO Analyst

Meeting Dates: 3/29, 4/5, 4/7

WHAT THE MEASURE DOES:

Establishes and specifies purposes of the Office of Pharmaceutical Purchasing (Office) in the Oregon Health Authority (OHA) to support multiagency and multistate collaborative purchasing of pharmaceuticals and reduce the cost of prescription drugs for residents. . Requires Office to coordinate statewide pharmaceutical purchasing agreements, administer the Oregon Prescription Drug Program, and establish and administer a multistate drug purchasing consortium. Authorizes OHA to require prior authorization for drugs not on the preferred drug list. Requires OHA to evaluate whether changes are needed to the drug purchasing process of coordinate care organizations (CCOs) in order to improve the quality of care and reduce costs to the state.

REVENUE: May have revenue impact, but no statement yet issued.

FISCAL: May have fiscal impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Prohibits OHA or the Department of Human Services from purchasing drugs directly or indirectly through the program or consortium for recipients of medical assistance.

-3 Clarifies prior authorization process for drugs not included on preferred drug list. Prohibits OHA from requiring CCOs to adhere to a single or partially aligned preferred drug list.

REVENUE: No revenue impact

FISCAL: Fiscal impact issued

BACKGROUND:

In 2001, the Legislative Assembly passed Senate Bill 819 which created the Practitioner-Managed Prescription Drug Plan (PMPDP). The PMPDP requires the Oregon Health Plan (OHP) to maintain a list of the most cost-effective drugs to prescribe for fee-for-service members; this list is called the Preferred Drug List (PDL). The PDL is maintained by Oregon's 11-member Pharmacy & Therapeutics Committee.

In 2003, the Legislative Assembly passed Senate Bill 875, which created the Oregon Prescription Drug Program (OPDP). OPDP is the state's prescription discount card program that is available to all Oregon residents regardless of income. All FDA-approved drugs prescribed by a licensed clinician are eligible for a discount through OPDP.

Senate Bill 848 establishes the Office of Pharmaceutical Purchasing in the Oregon Health Authority to support collaborative purchasing of pharmaceuticals in the state.