

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 558**81st Oregon Legislative Assembly – 2021 Regular Session  
Legislative Fiscal Office***Only Impacts on Original or Engrossed  
Versions are Considered Official***

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Prepared by: Haylee Morse-Miller  
Reviewed by: Tom MacDonald, Ben Ruef  
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**Measure Description:**

Prohibits insurance policy or contract that provides coverage for prescription drug to require prescription for drug to be filled or refilled at mail order pharmacy or to prohibit prescription from being filled or refilled at local pharmacy.

**Government Unit(s) Affected:**

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

**Summary of Fiscal Impact:**

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

**Analysis:**

SB 558 provides that an insurance policy or contract providing coverage for a prescription drug may not require a prescription to be filled or refilled at a mail order pharmacy; and may not prohibit a prescription from being filled or refilled at a local pharmacy.

There is a fiscal impact from this measure for the Oregon Health Authority (OHA), though the total fiscal impact is indeterminate at this time. Insurance providers for the Public Employees' Benefit Board (PEBB) and the Oregon Educators Benefit Board (OEBB) receive preferred pricing with specialty pharmacy vendors, through which PEBB and OEBB members enrolled in certain insurance plans must receive specialty medications via mail order. Under this measure, insurers would not be able to require members to use these vendors, which could reduce preferred pricing and increase claims costs.

Moda Health, the largest OEBB insurer, estimates that the measure would increase premium rates by 0.49% for OEBB medical and prescription drug coverage plans based on a 5.8% increase in costs on certain claims. Assuming the premium increase would apply to all OEBB plans, this measure would increase OEBB premiums by an estimated \$5,835,491 Other Funds in 2021-23, and \$7,780,654 Other Funds in 2023-25. There will likely be a fiscal impact for PEBB as well, though any increase in premiums as a result of this measure is indeterminate at this time. Although these costs are budgeted in OHA as Other Funds, the costs related to PEBB impact the premiums paid by state agencies and universities, and the costs for OEBB primarily impact the premiums paid by the K-12 school system.

OHA indicates this potential increase in premiums could challenge PEBB's and OEBB's ability to meet the statutorily-required 3.4% annual growth cap on health care premiums and expenditures.

There is no fiscal impact for the Department of Consumer and Business Services.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact.