

SB 848 A STAFF MEASURE SUMMARY

Senate Committee On Health Care

Action Date: 04/07/21

Action: Do pass with amendments and requesting referral to Ways and Means. (Printed A-Engrossed.)

Vote: 3-2-0-0

Yeas: 3 - Beyer, Manning Jr, Patterson

Nays: 2 - Heard, Knopp

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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 provide a clear, readily accessible and convenient process for a practitioner to request prior authorization for a prescription drug. Prohibits OHA from requiring prior authorization for specified drug categories. Prescribes time frames for OHA to respond to prior authorization requests. Requires OHA, in collaboration with coordinated care organizations (CCOs), to evaluate whether changes are needed to the drug purchasing process of CCOs in order to improve the quality of care and reduce costs to the state. Prohibits OHA from requiring CCOs to adhere to a single or partially aligned preferred drug list.

ISSUES DISCUSSED:

- Trends in increasing drug prices
- Current purchasing of drugs by state agencies
- Medicaid drug purchasing considerations, including preferred drug lists and prior authorization practices

EFFECT OF AMENDMENT:

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

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