



March 29, 2021

TO: Chair Patterson, Vice-Chair Knopp and members of the Senate Health Care Committee
FROM: Jeremy Vandehey, Director, Health Policy & Analytics Division
SUBJECT: SB 848 Changes

SB 848 creates the Office of Pharmacy Purchasing. The office will seek to leverage the purchasing power of the state to lower the costs of drugs and is supported by the Governor's Recommended Budget. The bill also provides a "fix" for the current negative rule determination from legislative council regarding use of a preferred drug list for Coordinated Care Organizations (CCOs) and makes updates to Oregon Health Plan (OHP) Fee-for-Service (FFS) pharmacy benefit processes.

After discussion with CCOs and the Oregon Medical Association (OMA), OHA will seek to amend the bill to:

1. Clarify that CCOs are not required to adopt a single and/or aligned Preferred Drug List (PDL). The intent is to amend Section 8 to have the effect indicated below.
 - (7) The authority, in collaboration with CCOs, shall evaluate pharmaceutical purchasing to:
 - (a) Improve the quality of care from the perspective of the members of coordinated care organizations and providers; and
 - b) Reduce costs to the state.
 - (8) OHA shall not require CCOs to adhere to a single or partially aligned preferred drug list. CCOs may voluntarily participate in a single or partially aligned preferred drug list.
2. Align with drug list/step therapy exceptions process in legislation making its way through the legislative process (HB 2517) and adopt "provider prevails" language that previously sunset. The intent is to amend section 7 to have the effect indicated below.
 - (4) The authority shall provide a clear, readily accessible and convenient process for a prescribing practitioner to request a prior authorization. The authority shall post to its website a clear explanation of this process that is easily accessible to prescribing practitioners and beneficiaries.
 - (5) The authority shall not require prior authorization for a drug in a class not evaluated for the Practitioner-Managed Prescription Drug Plan adopted under ORS 414.334, except to ensure that the drug is prescribed for treatment consistent with FDA labeling to treat a funded/covered condition on the Oregon Health Plan.
 - (6) For a drug that is not on a preferred drug list, the authority shall approve a practitioner's prior authorization request of the drug for a specific patient if:



(a) the request is for a refill of a prescription for the treatment of seizures, cancer, HIV or AIDS; or

(b) after consultation with the authority or its agent, the prescriber, in the prescriber's professional judgment, determines the prescribed drug is more appropriate for the patient than the preferred products that treat the patient's condition.

(7) The authority shall approve or deny the practitioner's request for prior authorization no later than 72 hours or 2 business days, whichever is longer, after receipt of the request unless exigent circumstances exist. If exigent circumstances exist, the authority shall respond within 1 business day after receipt of the request. A request for prior authorization shall be deemed granted if the authority fails to act within the time frames specified in this paragraph.