

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2725 - 2 <REVISED>**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Prohibits pharmacy benefit manager from imposing fees on rural pharmacies after point of sale.

Government Unit(s) Affected:

Department of Consumer and Business Services, Board of Pharmacy, Oregon Health Authority

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Department of Consumer and Business Affairs		
Other Funds		
Personal Services	\$203,516	\$232,592
Services and Supplies	\$14,171	\$23,725
Total Fiscal Impact	\$217,687	\$256,317
<i>Total Positions</i>	1	1
<i>Total FTE</i>	0.88	1.00

Analysis:

HB 2725-2 replaces the introduced measure. The measure prohibits retroactive denials or reduction of payment on claim reimbursements after a claim has been reviewed by the pharmacy benefit manager and describes exceptions. The measure prohibits fees on a pharmacy after the point of sale. The measure requires notification for any rejected or reduced claim for reimbursement of a prescription drug and prescribes requirements for the notice. The measure declares an emergency and is effective on passage.

<Revised to include additional information submitted by the Department of Consumer and Business Services.>

The measure increases the regulation of pharmacy benefit managers for the Department of Consumer and Business Services. The estimated 2023-25 fiscal impact for processing this increased workload is \$217,867 Other Funds and one full-time permanent Operations and Policy Analyst 3 position (0.88 FTE) to review compliance and complaints. Projected costs increase to \$256,317 Other Funds for the 2025-27 biennium as the position will scale up to 1.00 FTE.

The measure has a minimal fiscal impact on the Board of Pharmacy and the Oregon Health Authority.