

HB 2725 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

Action Date: 03/27/23

Action: Without recommendation as to passage and be referred to Rules.

Vote: 7-0-4-0

Yeas: 7 - Conrad, Diehl, Goodwin, Morgan, Nosse, Pham H, Tran

Exc: 4 - Bowman, Dexter, Javadi, Nelson

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 1/24, 1/25, 3/27

WHAT THE MEASURE DOES:

Prohibits pharmacy benefit manager (PBM) from imposing fee on rural pharmacy after point of sale. Defines "rural pharmacy." Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Reduction in number of rural pharmacies in Oregon
- Pharmacy reimbursement practices, including direct and indirect remuneration (DIR) fees and forthcoming federal changes
- Role of PBMs

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Pharmacy benefit managers (PBMs) are companies that help manage prescription drug benefits on behalf of health insurers, self-insured employers, government purchasers, and other payers. PBMs operate in the middle of the prescription drug supply chain, acting as brokers between payers, drug manufacturers, and pharmacies, thereby influencing drug availability, drug pricing, and pharmacy reimbursement. Leveraging volume purchasing, PBMs can negotiate discounts from drug manufacturers (often in the form of rebates) which can help mitigate rising costs of prescription drugs. PBMs are paid for their services using a mix of fees, retained rebates, and other means. PBMs are the subject of scrutiny due in large part to the fact that the amount of discounts they obtain in their negotiations with drug manufacturers are often not publicly disclosed.

House Bill 2725 prohibits pharmacy benefit managers from imposing fees on rural pharmacies after point of sale.