



Legislative Fiscal Office
 82nd Oregon Legislative Assembly
 2024 Regular Session

Prepared by: MaryMichelle Sosne
 Reviewed by: Haylee Morse-Miller, Paul Siebert, Matt Stayner
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Bill Title: Relating to reimbursement of clinician-administered prescription drugs.

Government Unit(s) Affected: Department of Consumer and Business Services, Board of Pharmacy, Oregon Health Authority

Summary of Fiscal Impact

2023-25 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ -	\$ -	\$ 1,000,379	\$ -	\$ 1,000,379	-	-
Total Fiscal Impact	\$ -	\$ -	\$ 1,000,379	\$ -	\$ 1,000,379	-	-

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ -	\$ -	\$ 15,911,618	\$ -	\$ 15,911,618	-	-
Total Fiscal Impact	\$ -	\$ -	\$ 15,911,618	\$ -	\$ 15,911,618	-	-

Measure Description

The measure prohibits health benefit plans that reimburse hospital and medical expenses from limiting access to clinician administered drugs for individuals with chronic, complex, rare, or life-threatening diseases. Health care providers may not bill or be reimbursed with a pharmacy benefit when delivering and administering clinician administered drugs; rather, the measure requires the health care provider to bill or seek reimbursement through a medical benefit, subject to the provisions of the measure.

Fiscal Analysis

The estimated fiscal impact of this measure is \$1 million Other Funds in the 2023-25 biennium, and \$15.9 million Other Funds in the 2025-27 biennium.

Oregon Health Authority

Changes to the list of required services that health benefit plans must cover will impact the premiums for employee health plans offered by the Public Employees’ Benefit Board (PEBB) and Oregon Educators Benefit Board (OEBB), which are housed in the Oregon Health Authority (OHA). While the health care coverage offered in each program is budgeted as Other Funds, the corresponding revenue largely comes from the premiums paid by state agencies and universities for PEBB’s plans and the K-12 school system for OEBB’s plans. State agencies finance PEBB’s premium payments from the revenue streams available in their budgets, including the General Fund.

Clinician administered drugs account for 6-7% of total paid medical claims, accounting for a significant portion of PEBB and OEBB’s premiums. To address this cost driver, the boards have collaborated with health care providers to contain costs via pharmacy benefit programs. These programs rely on reimbursements through the pharmacy benefit plans using specialty pharmacies. The measure would eliminate the use of the program for clinician administered drugs, thus increasing costs of medical claims for insurers.

Based on input provided by PEBB's and OEGB's actuaries, premiums for certain health plans offered by both boards will increase by an estimated average of 1% under the measure. For PEBB, this increase would result in additional costs of \$1,000,379 Other Funds in 2023-25 (6 months), and \$4,001,515 Other Funds in 2025-27 (24 months). OEGB health plans renew in October, so there is no fiscal impact to OEGB in 2023-25, but for 2025-27 the increase would result in additional costs of \$11,910,102 (21 months).

Other entities

The measure has a minimal fiscal impact on the Department of Consumer and Business Services and no fiscal impact on the Board of Pharmacy.

Relevant Dates

The measure applies to all health benefit plans, health care service contracts and employer welfare arrangements issued, renewed, or extended on or after January 1, 2025.