

The Fair Drug Pricing Act

HB 3093/SB 872



Background: In Oregon from 1991 to 2014, prescription drug spending increased by an average of 7.2 percent annually (CMS, 2017). HB 4005 (2018) established a task force charged with developing a strategy to create transparency for drug prices across the entire supply chain of pharmaceutical products. HB 3093/SB 872 aims to enact many of the recommendations put forth from the committee.

20%

From 2013-2015, national spending on prescription drugs increased by 20%

(Kesselheim, Avorn, & Sarpatwari, 2016)

29%

Three in ten say they haven't taken their medicine as prescribed due to cost

(KFF Health Tracking Poll, 2019)

71%

Leading up to the 2018 midterm elections, 71% of voters ranked healthcare as "very important"

(Kaiser Family Foundation, 2018)

HB 4005 Task Force

Comprised of representatives from various entities in the pharmaceutical supply chain, the task force developed strategies to create transparency and expose the cost factors negatively impacting prices paid by Oregonians for pharmaceutical products.

HB 3093/SB 872

This bill seeks to enact many of the recommendations passed by the Task Force on Fair Pricing of Prescription Drugs (2018), in addition to continuing the task force into the interim. The following page illustrates many of the points at which transparency measures and reporting requirements will be imposed.

The sponsors will be seeking amendments to the current bill in an effort to ensure proper implementation of the recommendations. For more information regarding specific language or amendments, please refer to OLIS or contact the offices of the chief sponsors.

Chief Sponsors:

Sen. Elizabeth Steiner Hayward MD

(D - Beaverton)

Sen. Dennis Linthicum

(R - Klamath Falls)

Rep. Ron Noble

(R - McMinnville)

Rep. Teresa Alonso Leon

(D - Woodburn)



Manufacturers

Disclosure of total and average spending on patient assistance programs

Inclusion of the monthly wholesale acquisition cost of a drug in direct-to-consumer advertising within the state of Oregon



PBMs & Pharmacies

Evaluation of the utilization of fee-only PBM vendors for state-sponsored health plans

Require rebate, incentive, and discount pass through from manufacturers

Disclosure of the lesser of the health plan's costs-share amount to current/prospective enrollees

Requires reporting on rebates, fees, and reimbursements between insurers, pharmacies, and manufacturers



Insurers

Must provide notice to insurance enrollees in advance of changes in formulary that will adversely affect the enrollee

Must certify percentage of rebates applied to directly offset consumers costs and report how they are otherwise spent



Hospitals

Disclosure of hospital and medical provider markups on patient bills



State Entities

Creates an annual drug pricing report from OHA, including the 10 highest drugs by total expenditure, 10 highest increased cost paid, and 10 most purchased drugs prescribed for state sponsored health plans



Consumers

Disclosure of funding for nonprofit organizations advocating, outside of patient care, on issues regarding pharmaceutical treatment

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