

SB 872 STAFF MEASURE SUMMARY

Senate Committee On Health Care

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Meeting Dates: 3/20, 3/25

WHAT THE MEASURE DOES:

Requires pharmaceutical manufacturers to report to the Department of Consumer and Business Services (DCBS) the total cost of prescription patient assistance programs and information regarding financial assistance provided to pharmacies, government agencies, or patient advocacy organizations. Adds exclusion for proprietary information from DCBS' website. Requires Public Employees' Benefit Board (PEBB), Oregon Educators Benefit Board (OEBB), Oregon Prescription Drug Program, and coordinated care organizations (CCOs) to use only fee-for-service pharmacy benefit managers. Requires health benefit plan carriers to publish specified prescription drug information to carrier's website. Requires carriers to provide written notice in writing of at least 60 days in advance of a change to the prescription drug formulary that will adversely affect the enrollee. Establishes consumer's right to be educated about all all means available to consumer to reduce the consumer's cost for a prescribed drug. Require insurers, pharmacy benefit managers, and third party administrators to apply toward any deductible or out-of-pocket maximum imposed under a consumer's pharmacy benefit the price paid by a consumer to purchase a prescription drug covered by the pharmacy benefit regardless of whether the consumer used the pharmacy benefit to purchase the drug. Requires medical providers to include an itemization of specified charges, prices, and fees for every billing that includes a charge for the dispensing or administration of a prescription drug. Requires the Oregon Health Authority (OHA), PEBB, OEBB, the Department of Corrections, and the Oregon Youth Authority to annually report the Legislative Assembly information about each agency's expenditures for prescription drugs. Specifies report contents. Requires OHA to notify the Pharmacy and Therapeutics Committee (P&T Committee) of drugs whose wholesale acquisition cost is \$10,000 or more for a one-month supply or for a course of treatment lasting less than one month. Requires P&T Committee to evaluate reported drugs and make recommendations regarding the inclusion on any preferred drug list adopted by OHA and on the Practitioner-Managed Prescription Drug Plan. Requires patient advocacy organizations with annual budget of more than \$50,000 that has a registered lobbyist in Oregon to report to the Oregon Government Ethics Commission and OHA specified information regarding funding received from participants in the pharmaceutical supply chain if patient advocacy organization receives more than ten percent of its annual budget from persons in the pharmaceutical supply chain. Defines "patient advocacy organization" and "pharmaceutical supply chain." Requires pharmacy benefit managers to report to DCBS and plan sponsors specified information regarding rebates, reimbursements, fees, and incentives paid for drugs by manufacturers, insurers, and pharmacies. Requires manufacturers that advertise a prescription drug to disclose the wholesale price paid by pharmacies located in the state. Defines "advertise."

REVENUE: *May have revenue impact, but no statement yet issued.*

FISCAL: *May have fiscal impact, but no statement yet issued.*

ISSUES DISCUSSED:

- Task Force process
- Potential impacts of reporting requirements on cost
- Direct to consumer advertising considerations

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

House Bill 4005 (2018) established the Joint Interim Task Force On Fair Pricing of Prescription Drugs (Task Force). The Task Force included representation from pharmaceutical manufacturers, insurers, pharmacy benefit managers, prescription drug wholesalers, independent pharmacies, large retail pharmacy chains, hospitals, biopharmaceutical companies, coordinated care organizations, medical providers, and state agencies. Charged with developing a strategy to create transparency for drug prices across the entire supply chain of pharmaceutical products, the Task Force delivered its final report in October 2018 containing 14 recommendations.

Senate Bill 872 implements several of the recommendations of the Joint Interim Task Force On Fair Pricing of Prescription Drugs.