

## SB 409 A STAFF MEASURE SUMMARY

### Senate Committee On Health Care

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**Action Date:** 04/08/19

**Action:** Do pass with amendments and requesting referral to Ways and Means. (Printed A-Engrossed.)

**Vote:** 4-0-1-0

**Yeas:** 4 - Beyer, Fagan, Linthicum, Monnes Anderson

**Exc:** 1 - Knopp

**Fiscal:** Fiscal impact issued

**Revenue:** No revenue impact

**Prepared By:** Brian Nieubuurt, LPRO Analyst

**Meeting Dates:** 1/30, 4/3, 4/8

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#### WHAT THE MEASURE DOES:

Requires State Board of Pharmacy (Board) to study the feasibility of implementing, and develop a plan to implement, a wholesale prescription drug importation program in which the state is a licensed wholesaler that imports prescription drugs from an authorized Canadian supplier for distribution to voluntarily participating pharmacies and providers. Allows the Board to consult with relevant state and federal agencies and stakeholders on potential for anticompetitive behavior in industries affected by an importation program. Specifies requirements of implementation plan. Requires Board to submit implementation plan and report to Legislative Assembly by June 30, 2020 with findings and recommendations for legislation. Requires that report include a cost-benefit analysis at five and ten years after date of implementation. Takes effect on 91st day following adjournment sine die.

#### ISSUES DISCUSSED:

- House Bill 4005 (2018) discussions and recommendations
- Recent trend in pharmaceutical price increases
- Current restrictions and limitations on importation
- Difference in pharmaceutical prices between the United States and Canada

#### EFFECT OF AMENDMENT:

Replaces the measure.

#### BACKGROUND:

In 2018, the Legislative Assembly passed House Bill 4005, creating the Task Force on the Fair Pricing of Prescription Drugs. The bill charged the Task Force with developing a strategy to create transparency for drug prices across the entire supply chain of pharmaceutical products. The Task Force was also required to deliver a report, finalized in November 2018, containing a cost-effective and enforceable solution that exposes the cost factors that negatively impact prices paid by Oregonians for pharmaceutical products. In developing its fifteen strategies, the Task Force considered approaches taken in other states, including legislation on pharmaceutical importation in Colorado, Vermont, and West Virginia.

Senate Bill 409-A directs the State Board of Pharmacy to study the feasibility of a drug importation program and to report findings and recommendations back the Legislative Assembly by June 30, 2020.