House Bill 2658

Sponsored by Representative SALINAS; Representatives HOLVEY, NOSSE (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Requires manufacturer of prescription drugs to report to Department of Consumer and Business Services planned increase in price of certain prescription drugs at least 60 days before date of increase.

A BILL FOR AN ACT

Relating to prescription drug costs.

Be It Enacted by the People of the State of Oregon:

SECTION 1. The legislative intent of section 2 of this 2019 Act is to improve public health and safety by taking steps to address the spiraling health care costs for residents of this state.

SECTION 2. (1) As used in this section:

(a) "Drug" has the meaning given that term in ORS 689.005.

(b)(A) "Manufacture" means:

(i) The production, preparation, propagation, compounding, conversion or processing of a drug, either directly or indirectly by extraction from substances of natural origin or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis; and

(ii) The packaging or repackaging of a drug or labeling or relabeling of a drug container.

(B) "Manufacture" does not include the preparation or compounding of a drug by an individual for the individual's own use or the preparation, compounding, packaging or labeling of a drug:

(i) By a health care practitioner incidental to administering or dispensing a drug in the course of professional practice;

(ii) By a health care practitioner or under the practitioner's authorization and supervision for the purpose of or incidental to research, teaching or chemical analysis activities and not for sale;

(iii) By a health care service contractor for dispensing to a subscriber or delivery to a health care facility or outpatient clinic owned or operated by the health care service contractor or an affiliate of the health care service contractor;

(iv) By a centralized repackaging operation for distribution to subscribers of health care service contractors or to pharmacies, health care facilities or outpatient clinics operated by or affiliated with a health care service contractor; or

(v) By a health care facility for dispensing to a patient of the health care facility.

(c) "Manufacturer" means a person that manufactures a prescription drug that is sold in this state.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

(d) "Prescription drug" means a drug that must:

(A) Under federal law, be labeled "Caution: Federal law prohibits dispensing without prescription" prior to being dispensed or delivered; or

(B) Under any applicable federal or state law or regulation, be dispensed only by prescription or restricted to use only by health care practitioners.

(e) "Price" means the wholesale acquisition cost as defined in 42 U.S.C. 1395w-3a(c)(6)(B).

(2) At least 60 days before a planned increase in the price of a prescription drug described in subsection (3) of this section, a prescription drug manufacturer shall report to the Department of Consumer and Business Services, in the form and manner prescribed by the department, all the following information about the prescription drug:

(a) The date that the increase will become effective;

(b) The current price of the prescription drug;

(c) The dollar amount of the planned increase in the price of the prescription drug;

(d) A statement of whether the price increase is necessitated by a change to or improvement in the prescription drug and, if so, a description of the change or improvement; and

(e) The year the drug became available for sale in the United States.

(3) Subsection (2) of this section applies to a prescription drug for which:

(a) The price was $100 or more for a one-month supply or for a course of treatment lasting less than one month; and

(b) There was a cumulative increase of 10 percent or more in the price of the prescription drug during the previous 12-month period.