

HOUSE AMENDMENTS TO HOUSE BILL 2680

By COMMITTEE ON HEALTH CARE

April 11

- 1 On page 1 of the printed bill, delete lines 12 through 29 and delete page 2.
2 On page 3, delete lines 1 through 6 and insert:
3 “**SECTION 2.** ORS 414.312 is amended to read:
4 “414.312. (1) As used in ORS 414.312 to 414.318:
5 “(a) ‘Pharmacy benefit manager’ means an entity that negotiates and executes contracts with
6 pharmacies, manages preferred drug lists, negotiates rebates with prescription drug manufacturers
7 and serves as an intermediary between the Oregon Prescription Drug Program, prescription drug
8 manufacturers and pharmacies.
9 “(b) ‘Prescription drug claims processor’ means an entity that processes and pays prescription
10 drug claims, adjudicates pharmacy claims, transmits prescription drug prices and claims data be-
11 tween pharmacies and the Oregon Prescription Drug Program and processes related payments to
12 pharmacies.
13 “(c) ‘Program price’ means the reimbursement rates and prescription drug prices established by
14 the administrator of the Oregon Prescription Drug Program.
15 “(2) The Oregon Prescription Drug Program is established in the Oregon Health Authority. The
16 purpose of the program is to:
17 “(a) Purchase prescription drugs, replenish prescription drugs dispensed or reimburse pharma-
18 cies for prescription drugs in order to receive discounted prices and rebates;
19 “(b) Make prescription drugs available at the lowest possible cost to participants in the program
20 as a means to promote health;
21 “(c) Maintain a list of prescription drugs recommended as the most effective prescription drugs
22 available at the best possible prices; and
23 “(d) Promote health through the purchase and provision of discount prescription drugs and co-
24 ordination of comprehensive prescription benefit services for eligible entities and members.
25 “(3) The Director of the Oregon Health Authority shall appoint an administrator of the Oregon
26 Prescription Drug Program. The administrator may:
27 “(a) Negotiate price discounts and rebates on prescription drugs with prescription drug man-
28 ufacturers or group purchasing organizations;
29 “(b) Purchase prescription drugs on behalf of individuals and entities that participate in the
30 program;
31 “(c) Contract with a prescription drug claims processor to adjudicate pharmacy claims and
32 transmit program prices to pharmacies;
33 “(d) Determine program prices and reimburse or replenish pharmacies for prescription drugs
34 dispensed or transferred;
35 “(e) Adopt and implement a preferred drug list for the program;

1 “(f) Develop a system for allocating and distributing the operational costs of the program and
2 any rebates obtained to participants of the program; and

3 “(g) Cooperate with other states, [or] regional consortia **or Canadian provinces or territories**
4 in the bulk purchase of prescription drugs.

5 “(4) The following individuals or entities may participate in the program:

6 “(a) Public Employees’ Benefit Board, Oregon Educators Benefit Board and Public Employees
7 Retirement System;

8 “(b) Local governments as defined in ORS 174.116 and special government bodies as defined in
9 ORS 174.117 that directly or indirectly purchase prescription drugs;

10 “(c) Oregon Health and Science University established under ORS 353.020;

11 “(d) State agencies that directly or indirectly purchase prescription drugs, including agencies
12 that dispense prescription drugs directly to persons in state-operated facilities;

13 “(e) Residents of this state who lack or are underinsured for prescription drug coverage;

14 “(f) Private entities; and

15 “(g) Labor organizations.

16 “(5) The administrator may establish different program prices for pharmacies in rural areas to
17 maintain statewide access to the program.

18 “(6) The administrator may establish the terms and conditions for a pharmacy to enroll in the
19 program. A licensed pharmacy that is willing to accept the terms and conditions established by the
20 administrator may apply to enroll in the program.

21 “(7) [*Except as provided in subsection (8) of this section,*] The administrator may not[:]

22 “[*(a) Contract with a pharmacy benefit manager;*]

23 “[*(b) Establish a state-managed wholesale or retail drug distribution or dispensing system; or*]

24 “[*(c)*] require pharmacies to maintain or allocate separate inventories for prescription drugs
25 dispensed through the program, **except as necessary to enter into or carry out an agreement**
26 **for the bulk purchasing of prescription drugs.**

27 “(8) The administrator shall contract with one or more entities to perform any of the functions
28 of the program, including but not limited to:

29 “(a) Contracting with a pharmacy benefit manager and directly or indirectly with such pharmacy
30 networks as the administrator considers necessary to maintain statewide access to the program.

31 “(b) Negotiating with prescription drug manufacturers on behalf of the administrator.

32 “(9) Notwithstanding subsection (4)(e) of this section, individuals who are eligible for Medicare
33 Part D prescription drug coverage may participate in the program.

34 “(10) The program may contract with vendors as necessary to utilize discount purchasing pro-
35 grams, including but not limited to group purchasing organizations established to meet the criteria
36 of the Nonprofit Institutions Act, 15 U.S.C. 13c, or that are exempt under the Robinson-Patman Act,
37 15 U.S.C. 13.”.

38