

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 4016 - B20**80th Oregon Legislative Assembly – 2020 Regular Session  
Legislative Fiscal Office***Only Impacts on Original or Engrossed  
Versions are Considered Official***

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**Measure Description:**

Defines "device" for purposes of practice of advanced nonablative esthetics. Modifies statutes related to prescription drug coverage. Establishes the Emergency Medical Services Innovation Program in Department of Human Services.

**Government Unit(s) Affected:**

Oregon Health Authority (OHA), Department of Human Services (DHS), Department of Consumer and Business Services (DCBS), Oregon Board of Pharmacy, Legislative Policy and Research Office (LPRO)

**Summary of Fiscal Impact:**

Costs related to the measure are indeterminate at this time - See analysis.

**Analysis:**

HB 4016 with the B20 amendment defines "urgent medical condition" and requires health insurance policies offering a prescription drug benefit (exempting accident-only or specified disease policies) to reimburse drugs prescribed by out-of-network pharmacists, including reimbursing the cost of fees for patient consultation, if the Oregon Board of Pharmacy (OBOP) or any state law authorizes the drug to be prescribed and dispensed by pharmacists licensed in this state. The bill prohibits an insurer that provides health coverage from imposing prior authorization or step therapy requirements on anti-retroviral drugs including pre-exposure prophylaxis (PrEP) to prevent HIV infection

**Oregon Educators Benefit Board (OEBB), Public Employees' Benefits Board (PEBB)**

The fiscal impact to PEBB and OEBB is indeterminate, depending on the drugs or devices that the Oregon Board of Pharmacy will approve a licensed pharmacist to prescribe and dispense. Without knowing the specific drugs or devices that may be added as a result of this bill, PEBB and OEB cannot predict the fiscal impact. Note that any proposed legislation resulting in a fiscal impact on revenues or expenditures with regard to insurance premiums provided by OEBB may impact any educational entity that has mandated or elective coverage under OEBB. This includes school districts, community colleges, education service districts and some charter schools. Similarly, any proposed legislation resulting in a fiscal impact on revenues or expenditures with regard to insurance premiums provided by PEBB may have an impact on state agencies because about 40% to 45% of PEBB premium resources come from state agencies' flexible benefits payroll General Fund budget.

In addition, the bill establishes the Senior Emergency Medical Services Innovation Program in the Department of Human Services (DHS) to select, provide funding to, and to monitor local public sector pilot projects that provide innovative strategies for addressing the emergency medical services of Oregon's increasing number of aging residents who receive care and services in residential care facilities and long-term care facilities. The bill requires DHS to fund a pilot project from moneys deposited in the Quality Care Fund. This requirement sunsets on January 2, 2024. The bill creates the Senior Emergency Medical Services Advisory Council to advise DHS and make recommendations on consideration of applications for funding of pilot projects. DHS is required to provide staff support to the Council and to submit a written report to the Legislature on the progress of the pilot projects selected for the program along with any recommendations for legislative changes. Although the bill does not

specify a date by which DHS must submit this report, DHS estimates that the first meeting of the Council will take place one month after all participants are appointed, approximately three months after passage of the bill (the bill is effective 91 days after sine die). Pilot proposals are anticipated to be accepted and reviewed in the Fall of 2020 and projects awarded by early 2021. DHS estimates that the pilot program would be operational for approximately one year before outcomes can be reported back to the Legislative Assembly, approximately early 2022. Meanwhile, DHS will provide updates to the Legislature upon request.

Department of Humans Services (DHS)

The fiscal impact of this bill on DHS is indeterminate. DHS will use existing staff and resources to establish the Senior Emergency Medical Services Innovation Program and support the work of the Emergency Medical Services Advisory Council. However, the impact on the Quality Care Fund, cannot be determined until the Council is convened to establish parameters for pilot project selection, and a pilot project is selected. DHS reports there is currently approximately \$5 million available funding through the Quality Care fund for projects, including the pilot project to be selected by the Senior Emergency Medical Services Advisory Council.

Oregon Health Authority (OHA), Legislative Policy and Research Office (LPRO)

The bill modifies reporting deadlines for the Task Force on Universal Health Care and defines “mechanical or electrical apparatus, appliance or device” for the purposes of practice of advanced nonablative esthetics, and permits individuals certified to practice esthetics to use items other than devices. The bill prohibits individuals certified to practice esthetics from using mechanical or electrical apparatus, appliance, or device unless authorized by the Health Licensing Office within the Oregon Health Authority (OHA) by rule. The fiscal impact of these provisions on OHA and the Legislative Policy and Research Office (LPRO) is anticipated to be minimal.

Department of Consumer and Business Services (DCBS), Oregon Board of Pharmacy (OBOP)

The fiscal impact of this bill on DCBS and OBOP is minimal. DCBS and OBOP will use existing staff and resources to ensure compliance to these changes to the Oregon Insurance Code.