

HB 4132 -4 STAFF MEASURE SUMMARY

House Committee On Health Care

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/9, 2/14

WHAT THE MEASURE DOES:

Requires Department of Consumer and Business Services (DCBS) to meet monthly with specified health care providers to discuss providers' concerns regarding health insurer practices. Requires DCBS to study trends in reimbursement paid to specified health care providers and report to Legislative Assembly by November 30, 2022. Requires Secretary of State to conduct audit of practices and drug pricing mechanics of pharmacy benefit managers that contract with Public Employees' Benefit Board (PEBB), Oregon Health Authority (OHA), Department of Human Services (DHS), and other state agencies and report findings to Legislative Assembly by September 15, 2023. Requires DHS to adopt rules to implement statutory requirements related to pharmacy benefit managers and apply requirements to contracts that automatically renew on or after effective date of Act. Declares emergency, effective on passage.

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

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

ISSUES DISCUSSED:

- Addition of acupuncture as essential health benefit
- Forthcoming Secretary of State audit of pharmacy benefit managers

EFFECT OF AMENDMENT:

-4 Requires DCBS to study trends in reimbursement paid to health care providers by insurers and third party administrators. Defines "health care provider" as entity primarily engaged in the provision of medicine, optometry, dentistry, acupuncture, chiropractic, massage therapy, naturopathic medicine, physical therapy, or midwifery. Requires DCBS to report to Legislative Assembly by September 15, 2023.

REVENUE: No revenue impact

FISCAL: Fiscal impact issued

BACKGROUND:

The Department of Consumer and Business Services' (DCBS) Division of Financial Regulation regulates individual and small group insurance policies sold in Oregon. Regulatory activities include monitoring compliance with mandatory benefit requirements and appeal and grievance procedures, as well as reviewing and approving insurer rates.

Pharmacy benefit managers (PBMs) are companies that manage prescription drug benefits on behalf of health insurers, large employers, and other payers. PBMs negotiate with drug manufacturers and pharmacies to control drug spending, impacting total drug costs for insurers, shaping patients' access to medications, and determining how much pharmacies are paid.

House Bill 4132 would require the Department of Consumer and Business Services to meet monthly with specified health care providers to discuss providers' concerns regarding health insurer practices and require the Secretary of State to conduct audit of practices and drug pricing mechanics of pharmacy benefit managers that contract

with state agencies.

PRELIMINARY