Legislative Fiscal Office

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To: Human Services Subcommittee

From: Tom MacDonald, Legislative Fiscal Office

Date: June 7, 2023

Subject: HB 3013 – Relating to pharmacy benefits

Work Session Recommendations

HB 3013 establishes new requirements for a pharmacy benefit manager (PBM) transacting business in Oregon. The measure requires PBMs to be licensed by the Department of Consumer and Business Services (DCBS); establishes reimbursement standards for PBM payments to network pharmacies; and amends pharmacy audit requirements, including reducing the look-back period for auditing a claim from 24 to 12 months. It also authorizes pharmacies to file a complaint with DCBS to contest the outcome of an appeal with a PBM regarding reimbursement and requires DCBS to hire at least one additional full-time employee to assist in the regulation of PBMs.

The measure was reported out of the House Committee on Behavioral Health and Health Care on March 27, 2023 and House Committee on Rules on May 23, 2023.

The -A6 amendment corrects a drafting error and includes \$1,107,679 in Other Funds expenditure limitation to support the measure's fiscal impact on DCBS. This includes costs for five permanent full-time positions (4.40 FTE): a Compliance and Regulatory Manager 2, Insurance Examiner, Financial Enforcement Officer, and Administrative Specialist 2. The impact on employee benefits administered by the Public Employees' Benefit Board and Oregon Employees Benefit Board is currently indeterminate with respect to the new reimbursement standards.

Recommended Changes

LFO recommends adoption of the -A6 amendment.

MOTION: I move adoption of the –A6 amendment to HB 3013. (VOTE)

Final Subcommittee Action

LFO recommends that HB 3013, as amended by the –A6 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 3013, as amended, to the Full Committee with a do pass recommendation. (VOTE)

<u>Carriers</u>	
Full Committee	:
House Floor:	
Senate Floor:	