

SB 608 A STAFF MEASURE SUMMARY

Carrier: Rep. Tran

House Committee On Behavioral Health and Health Care

Action Date: 05/17/23

Action: Do Pass the A-Eng bill.

Vote: 10-1-0-0

Yeas: 10 - Bowman, Conrad, Dexter, Diehl, Goodwin, Javadi, Nelson, Nosse, Pham H, Tran

Nays: 1 - Morgan

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Brian Nieuburt, LPRO Analyst

Meeting Dates: 5/8, 5/17

WHAT THE MEASURE DOES:

Requires Oregon Health Authority (OHA), every three years, to conduct survey of retail pharmacies providers enrolled in state medical assistance program regarding pharmacies' dispensing costs. Requires OHA to submit request for state plan amendment to Centers for Medicare and Medicaid Services (CMS) if survey indicates change needed to pharmacies' dispensing costs. Requires first survey to be conducted by January 2, 2024. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- State discretion to survey pharmacies regarding dispensing fee adequacy

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

State Medicaid programs reimburse pharmacies for prescription drugs based on the ingredient costs for the drug and a dispensing fee for filling the prescription. The dispensing fee is intended to cover reasonable costs associated with providing the drug to a Medicaid beneficiary, including the pharmacist's services and the overhead associated with maintaining the facility and equipment necessary to operate the pharmacy. States establish dispensing fees for the pharmacies that fill prescriptions for Medicaid beneficiaries. According to the Kaiser Family Foundation, state dispensing fees typically range between \$9 and \$12 for each prescription.

Senate Bill 608 A requires the Oregon Health Authority to conduct a survey of retail pharmacies providers enrolled in the state medical assistance program regarding pharmacies' dispensing costs every three years and request a state plan amendment if the survey indicates change to the dispensing fee is needed.