

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2725 - A

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Prohibits pharmacy benefit manager from imposing fees on rural pharmacies after point of sale.

Government Unit(s) Affected:

Department of Consumer and Business Services, Board of Pharmacy, Oregon Health Authority

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Department of Consumer and Business Affairs		
Other Funds		
Personal Services	\$203,516	\$232,592
Services and Supplies	\$14,171	\$23,725
Total Fiscal Impact	\$217,687	\$256,317
<i>Total Positions</i>	1	1
<i>Total FTE</i>	0.88	1.00

Analysis:

HB 2725-A replaces the introduced measure. The measure prohibits retroactive denials or reduction of payment on claim reimbursements after a claim has been reviewed by the pharmacy benefit manager and describes exceptions. The measure prohibits fees on a pharmacy after the point of sale. The measure requires notification for any rejected or reduced claim for reimbursement of a prescription drug and prescribes requirements for the notice. The measure declares an emergency and is effective on passage.

The measure increases the regulation of pharmacy benefit managers for the Department of Consumer and Business Services. The estimated 2023-25 fiscal impact for processing this increased workload is \$217,867 Other Funds and one full-time permanent Operations and Policy Analyst 3 position (0.88 FTE) to review compliance and complaints. Projected costs increase to \$256,317 Other Funds for the 2025-27 biennium as the position will scale up to 1.00 FTE.

The measure has a minimal fiscal impact on the Board of Pharmacy and the Oregon Health Authority.