

**SB 1508 A STAFF MEASURE SUMMARY****Carrier:** Rep. Tran, Rep. Javadi**House Committee On Behavioral Health and Health Care****Action Date:** 02/21/24**Action:** Do Pass the A-Eng bill.**Vote:** 10-0-1-0**Yeas:** 10 - Bowman, Conrad, Dexter, Diehl, Goodwin, Javadi, Nelson, Nosse, Tran, Yunker**Exc:** 1 - Pham H**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Brian Nieubuurt, LPRO Analyst**Meeting Dates:** 2/21**WHAT THE MEASURE DOES:**

The measure prohibits the Health Evidence Review Commission (HERC) from relying upon any quality of life (QALY) measure in determining coverage of services by the Oregon Health Plan (OHP). It caps out-of-pocket costs for insulin at \$35 for a 30-day supply and \$105 for a 90-day supply.

Detailed Summary:**Quality of Life Measures**

Prohibits HERC from relying upon any QALY, whether directly or by considering research or analysis that relies on QALY measures, in determining coverage of services by OHP. Permits consideration of research or analyses that reference QALY measures in specified circumstances and requires redaction of QALY references before research or analyses are presented to HERC. Defines “quality of life in general measure” and “peer-reviewed medical literature.” Prohibits HERC from meeting in executive session to hear evidence or deliberate on matters from an advisory committee or panel of experts. Clarifies HERC’s responsibilities in actively recruiting public involvement. Requires biennial HERC report to include a solicitation for public comment and an assessment of HERC’s prior consideration of QALY measures on access to services by individuals with disabilities or chronic illnesses. Clarifies requirement that HERC use various research and analyses when ranking health services or developing coverage guidelines. Prohibits HERC from using single vendor to compile research and analysis and requires public disclosure of vendor’s funding and conflicts of interest.

**Health Insurance Coverage of Insulin**

Prohibits health benefit plans from requiring an enrollee to incur cost-sharing or other out-of-pocket costs over \$35 for each 30-day supply of insulin prescribed for the treatment of diabetes, or \$105 for each 90-day supply. Removes requirement that Department of Consumer and Business Services (DCBS) annually adjust insulin co-pay cap.

**ISSUES DISCUSSED:**

- Reduction in insulin prices since passage of HB 2623 (2021)
- Plan for HERC to review previous decisions for research bias
- Subjective nature of QALY measures
- Historical usage of QALY in OHP

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

## SB 1508 A STAFF MEASURE SUMMARY

Oregon's medical assistance plan, the Oregon Health Plan (OHP), utilizes a commission of individuals with different kinds of expertise to determine and rank the cost effectiveness of treatments. The Health Evidence Review Commission (HERC) relies on medical studies, evidence, and expertise to determine which medical procedures, devices, and tests on Oregon's Prioritized List of Health Services will be covered by the OHP. Some medical studies use econometric analyses that place value on the expected quality of life of individuals with different conditions. One particular econometric model, the Quality Adjusted Life Year ("QALY"), has been shown to discriminate against people with certain health conditions ([link](#) to Schneider, "The QALY is Ableist" (2022)). Additionally, the HERC may be presented with a meta-analysis, which is a study to systematically assess previous research, further complicating efforts to avoid considering conclusions that rely on QALYs or other quality of life in general measures.

[House Bill 2623](#) (2021) limited out-of-pocket cost sharing for insulin to \$75 dollars for a 30-day supply and to \$225 for a 90-day supply. In 2023, Medicare began capping out-of-pocket costs for insulin at \$35 for a 30-day supply. According to the [American Diabetes Association](#), 25 states and the District of Columbia limit the out-of-pocket cost of insulin, and among those, 17 states cap the cost at \$35 or less for a 30-day.