HB 4028 A STAFF MEASURE SUMMARY

Carrier: Rep. Nosse

House Committee On Rules

Action Date:	02/22/24
Action:	Do pass with amendments and rescind subsequent referral to Ways and Means. (Printed A-Eng.)
Vote:	4-3-0-0
Yeas:	4 - Fahey, Kropf, Nosse, Valderrama
Nays:	3 - Helfrich, Scharf, Wallan
Fiscal:	No fiscal impact
Revenue:	No revenue impact
Prepared By:	Melissa Leoni, LPRO Analyst
Meeting Dates:	2/20, 2/22, 2/22

WHAT THE MEASURE DOES:

The measure prohibits a drug manufacturer, as defined in Oregon law, from denying or restricting access to 340B drugs by a pharmacy or drug outlet contracted with a covered entity. It defines 340B drug as a drug that has been subject to any offer of a reduced price by a manufacturer pursuant to 42 U.S.C 256b and is purchased by a covered entity.

ISSUES DISCUSSED:

- Provision from House Bill 4010 (2024)
- 340B program provisions
- Methods of funding Federally Qualified Health Centers
- Access and care for low-income persons
- Federal lawsuit status

EFFECT OF AMENDMENT:

The amendment replaces the measure.

BACKGROUND:

In 1990, Congress created the Medicaid drug rebate program to lower the cost of pharmaceutical drugs purchased by state Medicaid program. The program requires drug manufacturers to enter into a rebate agreement with Department of Health and Human Services as a prerequisite for having coverage of a drug by Medicaid and Medicare Part B. Under the program, drug manufacturers must pay rebates to state Medicaid programs that are based on the manufacturer's "best price" for the drug.

In 1992, the cost relief provided by the Medicaid drug rebate program was extended to safety-net providers through the passage of Section 340B of the Public Health Service Act. Under 340B, drug manufacturers give front-end discounts on specified outpatient drugs purchased by "covered entities," which includes federally qualified health centers and other specified programs and entities that serve vulnerable populations.