

HB 2253 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

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Meeting Dates: 2/4

WHAT THE MEASURE DOES:

The measure requires pharmacy benefit managers (PBMs) to act as enrollees' fiduciary when negotiating the price of prescription drugs. Requires Department of Business Services to adopt rules explaining fiduciary duty requirements and establishing a complaint process that allow PBMs to be reported for a breach of fiduciary duty.

FISCAL: May have fiscal impact, but no statement yet issued.

REVENUE: May have revenue impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Pharmacy benefit managers (PBMs) are companies that manage prescription drug benefits on behalf of health insurers, self-insured employers, government purchasers, and other payors. PBMs operate in the middle of the prescription drug supply chain, acting as brokers between payers, drug manufacturers, and pharmacies. In this role, PBMs can influence drug availability, pricing, and pharmacy reimbursement. PBMs also negotiate drug manufacturer discounts, often as rebates, which can help mitigate increasing costs of prescription drugs. PBMs receive payment for their services through a combination of fees, rebates, and other means.

House Bill 2123 (2013) required PBMs intending to conduct business in Oregon to register with the Department of Consumer and Business Services (DCBS). House Bill 4149 (2024) changed registration requirement for PBMs to require licensure that must be renewed annually. House Bill 2253 requires PBMs to act as their enrollees' fiduciary when negotiating the price of prescription drugs.