

HB 2149 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

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Meeting Dates: 2/6, 4/8

WHAT THE MEASURE DOES:

The measure requires pharmacy services administrative organizations to be licensed by the Department of Consumer and Business Services.

Measure Details

- Defines "administrative services," "contract," "independent pharmacy," "parent company, subsidiary, or other organization"
- Prohibits organization from transacting business as a pharmacy services administrative organization (PSAOs) unless licensed by the Department of Consumer and Business Services (DCBS)
- Requires PSAO license to be renewed every 12 months
- Requires PSAOs to make specified disclosures regarding contracts and ownership
- Establishes standard for PSAO licensure

ISSUES DISCUSSED:

- Role of pharmacy services administrative organizations (PSAOs) in pharmacy supply chain
- Prevalence of PSAOs in Oregon

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Pharmacy services administrative organizations (PSAOs) serve as intermediaries between pharmacies and pharmacy benefit payers, including health insurers and pharmacy benefit managers (PBMs). PSAOs primarily serve independent and small-chain pharmacies by providing back-office support for administrative functions, including contract negotiation, regulatory compliance, audit and reimbursement assistance, credentialing, and data management. According to a 2024 report by Milliman, 87 percent of Oregon's independent pharmacies contract with a PSAO.

House Bill 2149 requires pharmacy services administrative organizations to be licensed by the Department of Consumer and Business Services.