



Legislative Fiscal Office
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Bill Title: Relating to restrictions on 340B covered entities; prescribing an effective date.

Government Unit(s) Affected: Department of Justice, Department of Consumer and Business Services, Oregon Health Authority, Judicial Department, Board of Pharmacy

Summary of Fiscal Impact

Costs related to the measure are indeterminate at this time - see explanatory analysis.

Measure Description

The measure permits the Oregon Board of Pharmacy (OBOP) to impose a civil penalty of up to \$5,000 per day on a drug manufacturer that either interferes with the purchase, delivery, or dispensing of a 340B drug by a pharmacy that has a contract with a covered entity, or a manufacturer that requires an entity to submit a claim or provide utilization data as a condition for buying, receiving, or dispensing 340B drugs through a contracted pharmacy. Any penalties recovered by OBOP must be deposited into the State Board of Pharmacy Account.

Fiscal Analysis

Oregon Board of Pharmacy

OBOP cannot project how many currently registered manufacturers provide 340B drugs or how many civil penalties may be imposed. While 1,140 manufacturers are currently registered with OBOP, they are not required to disclose whether they supply 340B drugs. The measure does not require manufacturers to share this information with the board, so any regulatory action would depend on external complaints from affected parties. Depending on the frequency of these reports, OBOP may require additional investigative and customer service staff to handle the increased workload.

The potential revenue generated by the imposition of civil penalties is also indeterminate and will depend on the number of valid reports received and the number of penalties recovered. Civil penalty revenue is typically deposited into the General Fund instead of accounts reserved for agency use to avoid potential adverse financial incentives regarding an agency's assessment of such penalties.

Oregon Judicial Department

The fiscal impact of this measure on the Oregon Judicial Department is minimal. An aggrieved person has the right to appeal their civil penalty fee through the court system, however, the number of cases is anticipated to be small.

Other Entities

The measure has a minimal fiscal impact on the Department of Justice and no fiscal impact on the Department of Consumer and Business Services or the Oregon Health Authority.

Relevant Dates

The measure takes effect on the 91st day after sine die.