

HB 3613

**Strengthening Public
Pharmaceutical
Purchasing in Oregon**

Charlie Swanson

5/22/2025

Catchline/Summary for HB 3613

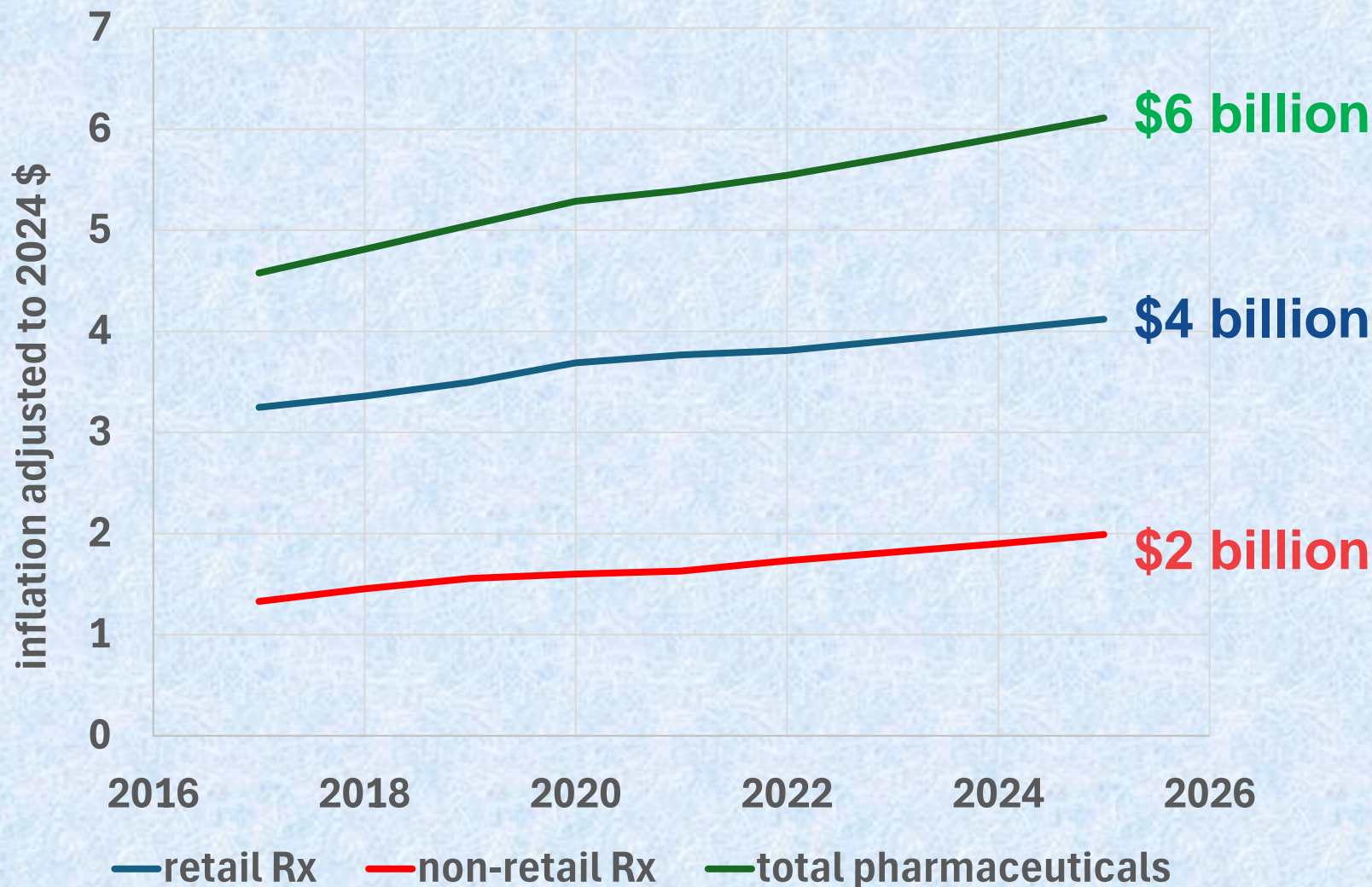
Creates the Office of Pharmaceutical Purchasing (OPP) within the Oregon Department of Administrative Services to

- Support multiagency and multistate collaborative purchasing of pharmaceuticals
- Drive down the cost of prescription drugs for residents of this state
- Manage the Oregon Prescription Drug Program

The problem

- The state & residents spend a lot on Rx
- Rx expenditures are rising more rapidly than inflation

OR expenditures on Rx (\$billions, inflation adj)



Ongoing legislative response

- Established Oregon Prescription Drug Program (OPDP, 2003), collaborated with WA to form the Northwest Prescription Drug Consortium (NPDC, 2006), now ArrayRx (2021)
- Oregon Prescription Drug Price Transparency Program (OPDPTP) - 2018
- A number of bills relating to PBMs and other parts of the Rx supply chain

Recommendation from ODPTP

(November 2024)

“With Oregon spending more than \$1 billion annually on medications across various agencies, building a centralized resource for data analysis, recommendations, and market monitoring would bring much needed administrative and financial efficiency across the state’s prescription drug programs.”

HB 3613

- Is a response to this recognized need to build such a centralized resource
- But it is more – will build on the successes of ArrayRx in effectively leveraging purchasing power of member states to help better afford prescriptions
- Will allow providers to join with consolidated state purchasing power for non-retail drug purchases

More from ODPTP

The ODPTP recommendation also stated –

“... given the number of agencies and programs operating pharmacy programs, such as the Oregon Department of Corrections, Oregon State Hospital, and Medicaid, pharmacy policies and purchasing practices remain fragmented. This fragmentation benefits the pharmaceutical industry by maintaining complex purchasing models and weakening Oregon's market position. ...

... Agencies and their existing pharmacy programs would need to be consulted throughout the development and implementation phases to capitalize on their expertise and address their specific concerns. Thoughtful, sincere involvement throughout the process would likely ease existing programs' apprehension and build trust that a centralized resource would be beneficial.”

HB 3613 – advisory board

To that end, OPP will have an advisory board with representation from

- PEBB, OEBC, PERS, PDAB, (OPDP)
- Dept. of Corrections, State Hospital
- OHA pharmacy policy and programs office
- Local health departments, OHA public health
- Universal Health Plan Governance Board
- Oregon State University College of Pharmacy

HB 3613 leverage enhancements

- OPDP to be housed in the new Office of Pharmaceutical Purchasing (OPP)
- State supported entities that purchase prescription drugs shall participate in OPDP (unless they can demonstrate better prices without doing so) – saving money right away and leading to further savings as the program and its leverage grows

Summary

HB 3613 will centralize and strengthen prescription drug purchasing in Oregon

- Helps state programs be better stewards of tax dollars
- Can help individuals better afford prescription drugs
- Can replace/decrease the bad behavior of private PBMs with publicly controlled purchasing services
- Can expand multistate purchasing cooperation to create even greater purchasing strength

Note - saving 1% on each Rx purchase in Oregon amounts to \$60 million per year in savings

We look forward to working with you on this for a future session