

HB 3226 A STAFF MEASURE SUMMARY

Carrier: Rep. Nathanson

House Committee On Behavioral Health and Health Care

Action Date: 04/01/25

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 9-0-0-0

Yeas: 9 - Diehl, Harbick, Isadore, Javadi, McIntire, Munoz, Nelson, Nosse, Pham H

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 2/6, 4/1

WHAT THE MEASURE DOES:

The measure includes pharmacy services administrative organizations (PSAOs) in the definition of "pharmacy." It requires PSAOs to register with the Department of Consumer and Business Services (DCBS) as third party administrators (TPAs), exempting specified PSAOs that are not owned by pharmacy benefit managers. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- House Bill 4149 (2024)
- Role of pharmacy services administrative organizations (PSAOs) in pharmacy supply chain

EFFECT OF AMENDMENT:

Exempts PSAOs not owned by a pharmacy benefit manager and that generate revenue only from monthly service fees not connected to drug pricing or volume from licensure requirement.

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 3226 A includes pharmacy services administrative organizations (PSAOs) in the definition of pharmacy and requires PSAOs to register with the Department of Consumer and Business Services as third party administrators.