



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to step therapy for nonopioids.

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

Summary of Fiscal Impact

| 2025-27 Biennium | General Fund | Lottery Funds | Other Funds | Federal Funds | Total Funds | Positions | FTE |
|----------------------------|--------------|---------------|-------------|---------------|-------------|-----------|-----|
| Oregon Health Authority | \$ - | \$ - | \$ 800,160 | \$ - | \$ 800,160 | - | - |
| Total Fiscal Impact | \$ - | \$ - | \$ 800,160 | \$ - | \$ 800,160 | - | - |

| 2027-29 Biennium | General Fund | Lottery Funds | Other Funds | Federal Funds | Total Funds | Positions | FTE |
|----------------------------|--------------|---------------|--------------|---------------|--------------|-----------|-----|
| Oregon Health Authority | \$ - | \$ - | \$ 1,411,749 | \$ - | \$ 1,411,749 | - | - |
| Total Fiscal Impact | \$ - | \$ - | \$ 1,411,749 | \$ - | \$ 1,411,749 | - | - |

- While the health care coverage offered in both PEBB and OEBB are budgeted as Other Funds, the corresponding revenue largely comes from premiums paid by state agencies and universities for PEBB's plans and the K-12 school system for OEBB's plans.

Measure Description

The measure requires health care providers that offer prescription drug coverage to ensure their drug formularies include at least one clinically appropriate non-opioid prescription drug for every opioid prescription drug covered. Additionally, coverage requirements for non-opioid prescription drugs must not be more restrictive than those for opioid drugs. This measure applies to health benefit plans, health care service contracts, and multiple employer welfare arrangements issued, renewed, or extended on or after January 1, 2026.

Fiscal Analysis

The fiscal impact of the measure on the Oregon Health Authority is \$800,160 Other Funds in the 2025-27 biennium, increasing to \$1.4 million Other Funds in the 2027-29 biennium, which reflects a full biennium of program costs.

Oregon Health Authority

Changes to the list of required services that health benefit plans must cover will impact the premiums for employee health plans offered by the Public Employees' Benefit Board (PEBB) and Oregon Educators Benefit Board (OEBB), which are housed in the Oregon Health Authority (OHA). While the health care coverage offered in each program is budgeted as Other Funds, the corresponding revenue largely comes from the premiums paid by state agencies and universities for PEBB's plans and the K-12 school system for OEBB's plans. State agencies

finance PEBB's premium payments from the revenue streams available in their budgets, including the General Fund.

Based on input provided by PEBB's and OEGB's actuaries, there is no fiscal impact for Providence health plans, minimal impact for Moda health plans, and a .15% increase in premium costs for Kaiser Permanente plans. For PEBB, this increase would result in additional costs of \$541,508 in the 2025-27 biennium, and \$722,011 in the 2027-29 biennium. For OEGB, the premium increase would result in additional costs of \$258,652 in the 2025-27 biennium, and \$689,738 in the 2027-29 biennium.

The estimated fiscal impact for Medicaid is indeterminate and will be dependent on provider prescribing rates and drug utilization.

Other entities

The measure has no fiscal impact on the Department of Consumer and Business Services or the Oregon Board of Pharmacy.

The expansion of coverage for health benefit plans may be considered a new mandate under the Patient Protection and Affordable Care Act. This Act requires states to offset the cost of required benefits for plans issued through the health insurance marketplace. Federal guidance does not clarify whether these offsets must be paid out of the General Fund or from other state funds such as marketplace assessment funds. If coverage of these services is considered a new mandate, the bill may have a fiscal impact for the state.

Relevant Dates

The measure takes effect on January 1, 2026.