

## A-Engrossed House Bill 3226

Ordered by the House April 7  
Including House Amendments dated April 7

Sponsored by Representatives NATHANSON, NOSSE, LEVY B; Representatives GAMBA, WALLAN, WALTERS, WRIGHT (Presession filed.)

### SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Says that if a person that takes claims from drug stores for payment under a health plan signs a contract with another person that acts for the drug stores, the person must still obey the laws that govern pharmacy benefit managers. Says that the person that acts for or signs contracts for the drug stores must get a license to do that business. (Flesch Readability Score: 62.0).

Includes pharmacy services administrative organizations within the definition of pharmacies for the purpose of ensuring that pharmacy benefit managers are subject to laws regulating their activities even if their contracts are with pharmacy services administrative organizations. Requires pharmacy services administrative organizations to register with the Department of Consumer and Business Services as third party administrators. **Specifies exemptions from the registration requirement.**

Takes effect on the 91st day following adjournment sine die.

### A BILL FOR AN ACT

Relating to organizations that provide services related to obtaining prescription drugs; amending ORS 735.530 and 744.702; and prescribing an effective date.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** ORS 735.530, as amended by section 3, chapter 87, Oregon Laws 2024, is amended to read:

735.530. As used in ORS 735.530 to 735.552:

(1) "Claim" means a request from a pharmacy or pharmacist to be reimbursed for the cost of filling or refilling a prescription for a drug or for providing a medical supply or service.

(2) "Enrollee" means an individual who has enrolled for coverage in a health benefit plan for which a pharmacy benefit manager has contracted with the insurer to reimburse claims submitted by pharmacies or pharmacists for the costs of drugs prescribed for the individual.

(3) "Health benefit plan" has the meaning given that term in ORS 743B.005.

(4) "Insurer" has the meaning given that term in ORS 731.106.

(5) "Long term care pharmacy" means a pharmacy for which the primary business is to serve a:

(a) Licensed long term care facility, as defined in ORS 442.015;

(b) Licensed residential facility, as defined in ORS 443.400; or

(c) Licensed adult foster home, as defined in ORS 443.705.

(6) "Mail order pharmacy" means a pharmacy for which the primary business is to receive prescriptions by mail, telephone or electronic transmission and dispense drugs to patients through the use of the United States Postal Service, a package delivery service or home delivery.

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

(7) “Network pharmacy” means a pharmacy that contracts with a pharmacy benefit manager.

(8) “Pharmacist” has the meaning given that term in ORS 689.005.

(9) “Pharmacy” *[includes]* **means:**

(a) A pharmacy as defined in ORS 689.005;

(b) A long term care pharmacy; and

(c) An entity that provides or oversees administrative services for two or more pharmacies, **including a pharmacy services administrative organization, as defined in section 2, chapter 87, Oregon Laws 2024, or a similar or related organization that advises or represents pharmacies that are members of the organization, or enters into contracts on behalf of members, in matters that are related to procuring or supplying prescription drugs.**

(10) “Pharmacy benefit” means the payment for or reimbursement of an enrollee’s cost for prescription drugs.

(11)(a) “Pharmacy benefit manager” means a person that contracts with pharmacies on behalf of an insurer, coordinated care organizations as defined in ORS 414.025 or the Oregon Prescription Drug Program established in ORS 414.312 to:

(A) Process claims for prescription drugs or medical supplies or provide retail network management for pharmacies or pharmacists;

(B) Pay pharmacies or pharmacists for prescription drugs or medical supplies;

(C) Negotiate rebates, discounts or other financial incentives or arrangements with manufacturers for drugs paid for or procured as described in this paragraph;

(D) Receive payments for pharmacy services;

(E) Disburse or distribute rebates;

(F) Manage or participate in incentive programs or arrangements with manufacturers of drugs;

(G) Negotiate or enter into contracts with pharmacies;

(H) Develop formularies;

(I) Design pharmacy benefit programs; or

(J) Advertise or promote pharmacy services.

(b) “Pharmacy benefit manager” does not include a health care service contractor as defined in ORS 750.005.

(12) “Pharmacy services” means the provision of products, goods or services in the course of the practice of pharmacy.

(13) “Specialty drug” means a drug that:

(a) Is subject to restricted distribution by the United States Food and Drug Administration; or

(b) Requires special handling, provider coordination or patient education that cannot be provided by a retail pharmacy.

(14) “Specialty pharmacy” means a pharmacy capable of meeting the requirements applicable to specialty drugs.

(15) “Third party administrator” means a person licensed under ORS 744.702.

(16) “340B pharmacy” means a pharmacy that is authorized to purchase drugs at a discount under 42 U.S.C. 256b.

**SECTION 2.** ORS 744.702 is amended to read:

744.702. (1) Subject to ORS 744.704, a person shall not transact business or purport or offer to transact business as a third party administrator in this state unless the person holds a third party administrator license issued by the Director of the Department of Consumer and Business Services.

(2) For purposes of ORS 744.700 to 744.740, a person transacts or purports or offers to transact

business as a third party administrator [*when*] **if** the person:

(a) Directly or indirectly solicits or effects coverage of, underwrites, collects charges or premiums from, or adjusts or settles claims on, residents of this state or residents of another state from offices in this state, in connection with life insurance or health insurance coverage[.]; **or**

(b) **Acts as a pharmacy services administrative organization, as defined in section 2, chapter 87, Oregon Laws 2024, or as an organization that advises or represents pharmacies that are members of the organization, or that enters into contracts on behalf of members, in matters that are related to procuring or supplying prescription drugs.**

(3) **A pharmacy services administrative organization, as defined in section 2, chapter 87, Oregon Laws 2024, is exempt from the requirement to obtain a license under section 2, chapter 87, Oregon Laws 2024, if the pharmacy services administrative organization is not owned by a pharmacy benefit manager and generates revenue only from monthly service fees that a pharmacy pays for services that are not connected to drug pricing or volume.**

[(3)] (4) Nothing in ORS 744.700 to 744.740 exempts a third party administrator from any other applicable licensing requirement when the third party administrator performs the functions of an insurance producer, adjuster or insurance consultant.

**SECTION 3. This 2025 Act takes effect on the 91st day after the date on which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.**