

House Bill 3613

Sponsored by Representative NELSON

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 **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Creates the OPP and moves the OPDP to OPP. Makes some changes to OPDP and PMPDP. Takes effect 91 days after session ends. (Flesch Readability Score: 88.4).

Creates the Office of Pharmaceutical Purchasing 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 and manage the Oregon Prescription Drug Program.

Creates an advisory board within the Office of Pharmaceutical Purchasing to assist in coordinating pharmaceutical purchasing across state agencies and programs.

Transfers the Oregon Prescription Drug Program from the Oregon Health Authority to the Office of Pharmaceutical Purchasing and modifies the program, including by requiring certain agencies and coordinated care organizations to participate.

Clarifies that a uniform Practitioner-Managed Prescription Drug Plan and preferred drug list should be used in both fee-for-service reimbursements and prescription drugs provided by coordinated care organizations.

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

A BILL FOR AN ACT

1
2 Relating to pharmaceutical purchasing; creating new provisions; amending ORS 410.080, 413.011,
3 413.032, 414.312, 414.314, 414.318, 414.320, 414.334 and 414.359; and prescribing an effective date.

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

5 **SECTION 1. Sections 2 to 4 of this 2025 Act are added to and made a part of ORS chapter**
6 **414.**

7 **SECTION 2. (1) The Office of Pharmaceutical Purchasing is established in the Oregon**
8 **Department of Administrative Services to support multiagency and multistate collaborative**
9 **purchasing of pharmaceuticals and drive down the cost of prescription drugs for residents**
10 **of this state.**

11 **(2) The purpose of the office is to:**

12 **(a) Improve coordination in pharmaceutical purchasing to reduce costs for taxpayers and**
13 **consumers;**

14 **(b) Leverage the state's collective purchasing power to promote cost savings, efficiency**
15 **and transparency while maintaining excellent service of each purchasing entity;**

16 **(c) Enhance the Oregon Prescription Drug Program and integrate uniform standards**
17 **across this state's medical assistance program that will further reduce administrative bur-**
18 **den and optimize resource utilization;**

19 **(d) Establish and administer a multistate prescription drug purchasing consortium; and**

20 **(e) Administer all intergovernmental and interagency agreements necessary to achieve**
21 **the office's purposes described in this subsection.**

22 **(3) The office shall:**

23 **(a) Provide oversight for all state pharmaceutical purchasing and state contracts related**

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.

1 to pharmaceutical procurement and payments;

2 (b) Administer the Oregon Prescription Drug Program;

3 (c) Develop and enforce rules for statewide purchasing agreements, payments made to
4 pharmacies and procurement standards;

5 (d) Monitor state pharmaceutical purchasing by examining the data collected and main-
6 tained by state agencies related to pharmaceutical purchases;

7 (e) Coordinate and facilitate the work of the advisory board established in section 3 of
8 this 2025 Act; and

9 (f) No later than October 1 of each year, submit a report to the Legislative Assembly in
10 the manner provided in ORS 192.245, after consultation from the advisory board, that in-
11 cludes at a minimum:

12 (i) Total pharmaceutical expenditures by agency and program;

13 (ii) Identification of fragmentation in state pharmaceutical purchasing;

14 (iii) Current procurement practices of each agency and program;

15 (iv) Barriers to effective defragmentation and leveraging of purchasing power; and

16 (v) Recommendations for legislative action to reduce costs and improve coordination.

17 (4) The Director of the Department of Administrative Services shall appoint an adminis-
18 trator for the office and all subordinate officers and employees of the office.

19 **SECTION 3.** (1) There is created in the Office of Pharmaceutical Purchasing the Office
20 of Pharmaceutical Purchasing Advisory Board. The purpose of the advisory board is to co-
21 ordinate pharmaceutical purchasing across state agencies and programs.

22 (2) The administrator of the Office of Pharmaceutical Purchasing shall serve as chair of
23 the advisory board and, after consultation with the Governor, shall appoint the following
24 members:

25 (a) The executive director of the Oregon Educators Benefit Board;

26 (b) The executive director of the Public Employees' Benefit Board;

27 (c) The executive director of the Public Employees Retirement System;

28 (d) The executive director of the Prescription Drug Affordability Board; and

29 (e) A member representing each of the following entities:

30 (A) The Department of Corrections;

31 (B) The Oregon State Hospital;

32 (C) The Oregon Health Authority pharmacy policy and programs office;

33 (D) Local health departments;

34 (E) The Universal Health Plan Governance Board;

35 (F) Oregon State University College of Pharmacy; and

36 (G) An Oregon Health Authority public health representative.

37 (3) With approval from a majority of the advisory board members, the administrator may
38 appoint additional members to the advisory board.

39 (4) One less than a majority of the advisory board constitutes a quorum for the trans-
40 action of business.

41 (5) The advisory board shall be considered a public body and is subject to ORS 192.610 to
42 192.705.

43 (6) The advisory board shall:

44 (a) Meet at least once per quarter;

45 (b) Review the recommendations made by the Office of Pharmaceutical Purchasing re-

1 **garding defragmentation;**

2 (c) **Communicate to the office the barriers and challenges that inhibit effective leveraging**
 3 **of pharmaceutical purchasing power;**

4 (d) **Develop legislative recommendations to reduce fragmentation and improve Oregon’s**
 5 **pharmaceutical purchasing power;**

6 (e) **Review the multistate purchasing consortium growth and savings reports and advise**
 7 **the administrator of the office; and**

8 (f) **Serve as stewards of Oregon tax dollars to ensure that every agency and program**
 9 **maintains service excellence while effectively leveraging Oregon’s collective pharmaceutical**
 10 **purchasing power.**

11 **SECTION 4. The Office of Pharmaceutical Purchasing shall adopt rules to carry out the**
 12 **provisions of sections 2 and 3 of this 2025 Act.**

13 **SECTION 5.** ORS 414.312 is amended to read:

14 414.312. (1) As used in ORS 414.312 to 414.318:

15 (a) “Pharmacy benefit manager” means an entity that negotiates and executes contracts with
 16 pharmacies, manages preferred drug lists, negotiates rebates with prescription drug manufacturers
 17 and serves as an intermediary between the Oregon Prescription Drug Program, prescription drug
 18 manufacturers and pharmacies.

19 (b) “Prescription drug claims processor” means an entity that processes and pays prescription
 20 drug claims, adjudicates pharmacy claims, transmits prescription drug prices and claims data be-
 21 tween pharmacies and the Oregon Prescription Drug Program and processes related payments to
 22 pharmacies.

23 (c) “Program price” means the reimbursement rates and prescription drug prices established by
 24 the administrator of the Oregon Prescription Drug Program.

25 (2) The Oregon Prescription Drug Program is established in the [*Oregon Health Authority*] **Of-**
 26 **ice of Pharmaceutical Purchasing.** The purpose of the program is to:

27 (a) Purchase prescription drugs, replenish prescription drugs dispensed or reimburse pharmacies
 28 for prescription drugs in order to receive discounted prices and rebates;

29 (b) Make prescription drugs available at the lowest possible cost to participants in the program
 30 as a means to promote health;

31 (c) Maintain a list of prescription drugs recommended as the most effective prescription drugs
 32 available at the best possible prices; and

33 (d) Promote health through the purchase and provision of discount prescription drugs and co-
 34 ordination of comprehensive prescription benefit services for eligible entities and members.

35 (3) The [*Director of the Oregon Health Authority*] **administrator of the office** shall appoint an
 36 administrator of the Oregon Prescription Drug Program. The administrator may:

37 (a) Negotiate price discounts and rebates on prescription drugs with prescription drug man-
 38 ufacturers or group purchasing organizations;

39 (b) Purchase prescription drugs on behalf of individuals and entities that participate in the
 40 program;

41 (c) Contract with a prescription drug claims processor to adjudicate pharmacy claims and
 42 transmit program prices to pharmacies;

43 (d) Determine program prices and reimburse or replenish pharmacies for prescription drugs
 44 dispensed or transferred;

45 (e) Adopt and implement a preferred drug list for the program;

1 (f) Develop a system for allocating and distributing the operational costs of the program and any
 2 rebates obtained to participants of the program; and

3 (g) Cooperate with other states or regional consortia in the bulk purchase of prescription drugs.

4 (4) The following individuals or entities may participate in the program:

5 (a) Public Employees' Benefit Board, Oregon Educators Benefit Board and Public Employees
 6 Retirement System;

7 (b) Local governments as defined in ORS 174.116 and special government bodies as defined in
 8 ORS 174.117 that directly or indirectly purchase prescription drugs;

9 (c) Oregon Health and Science University established under ORS 353.020;

10 [(d) State agencies that directly or indirectly purchase prescription drugs, including agencies that
 11 dispense prescription drugs directly to persons in state-operated facilities;]

12 [(e)] (d) Residents of this state who lack or are underinsured for prescription drug coverage;

13 [(f)] (e) Private entities; and

14 [(g)] (f) Labor organizations.

15 **(5) The following individuals or entities must participate in the program unless the indi-**
 16 **vidual or entity can demonstrate that a lower price is available for the same prescription**
 17 **drug without utilizing the program:**

18 (a) State agencies that directly or indirectly purchase prescription drugs, including
 19 agencies that dispense prescription drugs directly to persons in state-operated facilities; and

20 (b) Coordinated care organizations.

21 [(5)] (6) The administrator may establish different program prices for pharmacies in rural areas
 22 to maintain statewide access to the program.

23 [(6)] (7) The administrator may establish the terms and conditions for a pharmacy to enroll in
 24 the program. A licensed pharmacy that is willing to accept the terms and conditions established by
 25 the administrator may apply to enroll in the program.

26 [(7)] (8) Except as provided in subsection [(8)] (9) of this section, the administrator may not:

27 [(a) Contract with a pharmacy benefit manager;]

28 [(b)] (a) Establish a state-managed wholesale or retail drug distribution or dispensing system;
 29 or

30 [(c)] (b) Require pharmacies to maintain or allocate separate inventories for prescription drugs
 31 dispensed through the program.

32 [(8)] (9) The administrator shall contract with one or more entities to perform any of the func-
 33 tions of the program, including but not limited to:

34 (a) Contracting with a pharmacy benefit manager and directly or indirectly with such pharmacy
 35 networks as the administrator considers necessary to maintain statewide access to the program.

36 (b) Negotiating with prescription drug manufacturers on behalf of the administrator.

37 [(9)] (10) Notwithstanding subsection [(4)(e)] (4)(d) of this section, individuals who are eligible
 38 for Medicare Part D prescription drug coverage may participate in the program.

39 [(10)] (11) The program may contract with vendors as necessary to utilize discount purchasing
 40 programs, including but not limited to group purchasing organizations established to meet the cri-
 41 teria of the Nonprofit Institutions Act, 15 U.S.C. 13c, or that are exempt under the Robinson-Patman
 42 Act, 15 U.S.C. 13.

43 **SECTION 6.** ORS 414.314 is amended to read:

44 414.314. (1) An individual or entity described in ORS 414.312 (4) may apply to participate in the
 45 Oregon Prescription Drug Program. Participants shall apply on an application provided by the

1 [Oregon Health Authority] **Office of Pharmaceutical Purchasing**. The [authority] **office** may
 2 charge participants a nominal fee to participate in the program. The [authority] **office** shall issue a
 3 prescription drug identification card to participants of the program.

4 (2) The [authority] **office** shall provide a mechanism to calculate and transmit the program
 5 prices for prescription drugs to a pharmacy. The pharmacy shall charge the participant the program
 6 price for a prescription drug.

7 (3) A pharmacy may charge the participant the professional dispensing fee set by the **Oregon**
 8 **Health Authority**.

9 (4) Prescription drug identification cards issued under this section must contain the information
 10 necessary for proper claims adjudication or transmission of price data.

11 **SECTION 7.** ORS 414.318 is amended to read:

12 414.318. The Prescription Drug Purchasing Fund is established separate and distinct from the
 13 General Fund. The Prescription Drug Purchasing Fund shall consist of moneys appropriated to the
 14 fund by the Legislative Assembly and moneys received by the [Oregon Health Authority] **Oregon**
 15 **Department of Administrative Services** for the purposes established in this section in the form
 16 of gifts, grants, bequests, endowments or donations. The moneys in the Prescription Drug Purchasing
 17 Fund are continuously appropriated to the [authority] **department** and shall be used to purchase
 18 prescription drugs, reimburse pharmacies for prescription drugs and reimburse the [authority] **de-**
 19 **partment** for the costs of administering the Oregon Prescription Drug Program, including con-
 20 tracted services costs, computer costs, professional dispensing fees paid to retail pharmacies and
 21 other reasonable program costs. Interest earned on the fund shall be credited to the fund.

22 **SECTION 8.** ORS 414.320 is amended to read:

23 414.320. The [Oregon Health Authority] **Office of Pharmaceutical Purchasing** shall adopt rules
 24 to implement and administer ORS 414.312 to 414.318. The rules shall include but are not limited to
 25 establishing procedures for:

26 (1) Issuing prescription drug identification cards to individuals and entities that participate in
 27 the Oregon Prescription Drug Program; and

28 (2) Enrolling pharmacies in the program.

29 **SECTION 9.** ORS 414.334 is amended to read:

30 414.334. (1) The Oregon Health Authority shall adopt a **uniform** Practitioner-Managed Pre-
 31 scription Drug Plan for the medical assistance program **to be used by fee-for-service reimburse-**
 32 **ment and prescription drugs provided by coordinated care organizations**. The purpose of the
 33 plan is to ensure that enrollees in the medical assistance program receive the most effective pre-
 34 scription drug available at the best possible price.

35 (2) In adopting the plan, the authority shall consider recommendations of the Pharmacy and
 36 Therapeutics Committee.

37 (3) The authority shall consult with representatives of the regulatory boards and associations
 38 representing practitioners who are prescribers under the medical assistance program and ensure
 39 that practitioners receive educational materials and have access to training on the Practitioner-
 40 Managed Prescription Drug Plan.

41 (4) Notwithstanding the Practitioner-Managed Prescription Drug Plan adopted by the authority,
 42 a practitioner may prescribe any drug that the practitioner indicates is medically necessary for an
 43 enrollee as being the most effective available.

44 (5) An enrollee may appeal to the authority a decision of a practitioner or the authority to not
 45 provide a prescription drug requested by the enrollee.

1 (6) This section does not limit the decision of a practitioner as to the scope and duration of
 2 treatment of chronic conditions, including but not limited to arthritis, diabetes and asthma.

3 **SECTION 10.** ORS 414.359 is amended to read:

4 414.359. (1) The Mental Health Clinical Advisory Group is established in the Oregon Health
 5 Authority. The Mental Health Clinical Advisory Group shall develop evidence-based algorithms for
 6 mental health treatments, including treatments with mental health drugs based on:

- 7 (a) The efficacy of the drug;
- 8 (b) The cost of the drug;
- 9 (c) Potential side effects of the drug;
- 10 (d) A patient's profile; and
- 11 (e) A patient's history with the drug.

12 (2) The Mental Health Clinical Advisory Group consists of 18 members appointed by the au-
 13 thority as follows:

- 14 (a) Two psychiatrists each with an active community practice;
- 15 (b) One child and adolescent psychiatrist;
- 16 (c) Two licensed clinical psychologists;
- 17 (d) One psychiatric nurse practitioner with prescribing privileges;
- 18 (e) Two primary care providers;
- 19 (f) Two pharmacists, one of whom must have experience dispensing to long term care facilities
 20 and patients with special needs;
- 21 (g) Two individuals, each representing a statewide mental health advocacy organization for
 22 children and adults with mental illness, who have experience as a consumer of mental health ser-
 23 vices or as a family member of a consumer of mental health services;
- 24 (h) Two individuals each representing a coordinated care organization;
- 25 (i) One consumer of mental health services;
- 26 (j) One member of a federally recognized Oregon Indian tribe;
- 27 (k) One member who represents the Department of Corrections who has a clinical background;

28 and

29 (L) One member who is a clinical psychiatrist and who represents the Oregon Psychiatric Ac-
 30 cess Line.

31 (3) The Mental Health Clinical Advisory Group shall, in developing treatment algorithms, con-
 32 sider all of the following:

- 33 (a) Peer-reviewed medical literature;
- 34 (b) Observational studies;
- 35 (c) Studies of health economics;
- 36 (d) Input from patients and physicians; and
- 37 (e) Any other information that the group deems appropriate.

38 (4) The Mental Health Clinical Advisory Group shall make recommendations to the authority
 39 and the Pharmacy and Therapeutics Committee, including but not limited to:

- 40 (a) Implementation of evidence-based algorithms.
- 41 (b) Any changes needed to [*any preferred drug list used by the authority*] **the Practitioner-**
 42 **Managed Prescription Drug Plan or any preferred drug list used by the authority or a coor-**
 43 **dated care organization.**
- 44 (c) Practice guidelines for the treatment of mental health disorders with mental health drugs.
- 45 (d) Coordinating the work of the group with an entity that offers a psychiatric advice hotline.

1 (5) Recommendations of the Mental Health Clinical Advisory Group shall be posted to the
2 website of the authority no later than 30 days after the group approves the recommendations.

3 (6) No later than December 31 of each year, the Mental Health Clinical Advisory Group shall
4 report to the interim committees of the Legislative Assembly related to health on recommendations
5 made to the authority under subsection (4) of this section and the report may include recommen-
6 dations for legislation.

7 (7) A member of the Mental Health Clinical Advisory Group is not entitled to compensation but
8 may be reimbursed for necessary travel expenses incurred in the performance of the member's offi-
9 cial duties.

10 (8) The Mental Health Clinical Advisory Group shall select one of its members as chairperson
11 and another as vice chairperson, for terms and with duties and powers necessary for the perform-
12 ance of the functions of the group.

13 (9) A majority of the members of the Mental Health Clinical Advisory Group constitutes a quo-
14 rum for the transaction of business.

15 (10) The Mental Health Clinical Advisory Group shall meet at least once every two months at
16 a time and place determined by the chairperson. The group also may meet at other times and places
17 specified by the call of the chairperson or of a majority of the members of the group. The group
18 may meet in executive session when discussing factors listed in subsection (1) of this section.

19 (11) All agencies of state government, as defined in ORS 174.111, are directed to assist the
20 Mental Health Clinical Advisory Group in the performance of duties of the group and, to the extent
21 permitted by laws relating to confidentiality, to furnish information and advice the members of the
22 group consider necessary to perform their duties.

23 **SECTION 11.** ORS 413.032 is amended to read:

24 413.032. (1) The Oregon Health Authority is established. The authority shall:

25 (a) Carry out policies adopted by the Oregon Health Policy Board;

26 (b) Administer the Oregon Integrated and Coordinated Health Care Delivery System established
27 in ORS 414.570 and the COFA Dental Program established in ORS 413.614;

28 *[(c) Administer the Oregon Prescription Drug Program;]*

29 *[(d)]* (c) Develop the policies for and the provision of publicly funded medical care and medical
30 assistance in this state;

31 *[(e)]* (d) Develop the policies for and the provision of mental health treatment and treatment of
32 addictions;

33 *[(f)]* (e) Assess, promote and protect the health of the public as specified by state and federal
34 law;

35 *[(g)]* (f) Provide regular reports to the board with respect to the performance of health services
36 contractors serving recipients of medical assistance, including reports of trends in health services
37 and enrollee satisfaction;

38 *[(h)]* (g) Guide and support, with the authorization of the board, community-centered health ini-
39 tiatives designed to address critical risk factors, especially those that contribute to chronic disease;

40 *[(i)]* (h) Be the state Medicaid agency for the administration of funds from Titles XIX and XXI
41 of the Social Security Act and administer medical assistance under ORS chapter 414;

42 *[(j)]* (i) In consultation with the Director of the Department of Consumer and Business Services,
43 periodically review and recommend standards and methodologies to the Legislative Assembly for:

44 (A) Review of administrative expenses of health insurers;

45 (B) Approval of rates; and

1 (C) Enforcement of rating rules adopted by the Department of Consumer and Business Services;
 2 [(k)] (j) Structure reimbursement rates for providers that serve recipients of medical assistance
 3 to reward comprehensive management of diseases, quality outcomes and the efficient use of re-
 4 sources and to promote cost-effective procedures, services and programs including, without limita-
 5 tion, preventive health, dental and primary care services, web-based office visits, telephone
 6 consultations and telemedicine consultations;

7 [(L)] (k) Guide and support community three-share agreements in which an employer, state or
 8 local government and an individual all contribute a portion of a premium for a community-centered
 9 health initiative or for insurance coverage;

10 [(m)] (L) Develop, in consultation with the Department of Consumer and Business Services, one
 11 or more products designed to provide more affordable options for the small group market;

12 [(n)] (m) Implement policies and programs to expand the skilled, diverse workforce as described
 13 in ORS 414.018 (4); and

14 [(o)] (n) Implement a process for collecting the health outcome and quality measure data iden-
 15 tified by the Health Plan Quality Metrics Committee and the Behavioral Health Committee and re-
 16 port the data to the Oregon Health Policy Board.

17 (2) The Oregon Health Authority is authorized to:

18 (a) Create an all-claims, all-payer database to collect health care data and monitor and evaluate
 19 health care reform in Oregon and to provide comparative cost and quality information to consumers,
 20 providers and purchasers of health care about Oregon's health care systems and health plan net-
 21 works in order to provide comparative information to consumers.

22 (b) Develop uniform contracting standards for the purchase of health care, including the fol-
 23 lowing:

24 (A) Uniform quality standards and performance measures;

25 (B) Evidence-based guidelines for major chronic disease management and health care services
 26 with unexplained variations in frequency or cost;

27 (C) Evidence-based effectiveness guidelines for select new technologies and medical equipment;

28 (D) A statewide drug formulary that may be used by publicly funded health benefit plans; and

29 (E) Standards that accept and consider tribal-based practices for mental health and substance
 30 abuse prevention, counseling and treatment for persons who are Native American or Alaska Native
 31 as equivalent to evidence-based practices.

32 (3) The enumeration of duties, functions and powers in this section is not intended to be exclu-
 33 sive nor to limit the duties, functions and powers imposed on or vested in the Oregon Health Au-
 34 thority by ORS 413.006 to 413.042, 415.012 to 415.430, 415.501, 741.001 to 741.540, 741.802 and 741.900
 35 or by other statutes.

36 **SECTION 12.** ORS 413.011 is amended to read:

37 413.011. (1) The duties of the Oregon Health Policy Board are to:

38 (a) Be the policy-making and oversight body for the Oregon Health Authority established in ORS
 39 413.032 and all of the authority's departmental divisions.

40 (b) Develop and submit a plan to the Legislative Assembly to provide and fund access to af-
 41 fordable, quality health care for all Oregonians.

42 (c) Develop a program to provide health insurance premium assistance to all low and moderate
 43 income individuals who are legal residents of Oregon.

44 (d) Publish health outcome and quality measure data collected by the Oregon Health Authority
 45 at aggregate levels that do not disclose information otherwise protected by law. The information

1 published must report, for each coordinated care organization and each health benefit plan sold
2 through the health insurance exchange or offered by the Oregon Educators Benefit Board or the
3 Public Employees' Benefit Board:

4 (A) Quality measures;

5 (B) Costs;

6 (C) Health outcomes; and

7 (D) Other information that is necessary for members of the public to evaluate the value of health
8 services delivered by each coordinated care organization and by each health benefit plan.

9 (e) Establish evidence-based clinical standards and practice guidelines that may be used by
10 providers.

11 (f) Approve and monitor community-centered health initiatives described in ORS 413.032 [(1)(h)]
12 (1)(g) that are consistent with public health goals, strategies, programs and performance standards
13 adopted by the Oregon Health Policy Board to improve the health of all Oregonians, and to regu-
14 larly report to the Legislative Assembly on the accomplishments and needed changes to the initi-
15 atives.

16 (g) Establish cost containment mechanisms to reduce health care costs.

17 (h) Ensure that Oregon's health care workforce is sufficient in numbers and training to meet the
18 demand that will be created by the expansion in health coverage, health care system transforma-
19 tions, an increasingly diverse population and an aging workforce.

20 (i) Work with the Oregon congressional delegation to advance the adoption of changes in federal
21 law or policy to promote Oregon's comprehensive health reform plan.

22 (j) Establish a health benefit package in accordance with ORS 741.340 to be used as the baseline
23 for all health benefit plans offered through the health insurance exchange.

24 (k) Investigate and report annually to the Legislative Assembly on the feasibility and advis-
25 ability of future changes to the health insurance market in Oregon, including but not limited to the
26 following:

27 (A) A requirement for every resident to have health insurance coverage.

28 (B) A payroll tax as a means to encourage employers to continue providing health insurance to
29 their employees.

30 (L) Meet cost-containment goals by structuring reimbursement rates to reward comprehensive
31 management of diseases, quality outcomes and the efficient use of resources by promoting cost-
32 effective procedures, services and programs including, without limitation, preventive health, dental
33 and primary care services, web-based office visits, telephone consultations and telemedicine consul-
34 tations.

35 (m) Oversee the expenditure of moneys from the Health Care Provider Incentive Fund to support
36 grants to primary care providers and rural health practitioners, to increase the number of primary
37 care educators and to support efforts to create and develop career ladder opportunities.

38 (n) Work with the Public Health Benefit Purchasers Committee, administrators of the medical
39 assistance program and the Department of Corrections to identify uniform contracting standards for
40 health benefit plans that achieve maximum quality and cost outcomes and align the contracting
41 standards for all state programs to the greatest extent practicable.

42 (o) Work with the Health Information Technology Oversight Council to foster health information
43 technology systems and practices that promote the Oregon Integrated and Coordinated Health Care
44 Delivery System established by ORS 414.570 and align health information technology systems and
45 practices across this state.

1 (2) The Oregon Health Policy Board is authorized to:

2 (a) Subject to the approval of the Governor, organize and reorganize the authority as the board
3 considers necessary to properly conduct the work of the authority.

4 (b) Submit directly to the Legislative Counsel, no later than October 1 of each even-numbered
5 year, requests for measures necessary to provide statutory authorization to carry out any of the
6 board's duties or to implement any of the board's recommendations. The measures may be filed prior
7 to the beginning of the legislative session in accordance with the rules of the House of Represen-
8 tatives and the Senate.

9 (3) If the board or the authority is unable to perform, in whole or in part, any of the duties
10 described in ORS 413.006 to 413.042 and 741.340 without federal approval, the authority is authorized
11 to request, in accordance with ORS 413.072, waivers or other approval necessary to perform those
12 duties. The authority shall implement any portions of those duties not requiring legislative authority
13 or federal approval, to the extent practicable.

14 (4) The enumeration of duties, functions and powers in this section is not intended to be exclu-
15 sive nor to limit the duties, functions and powers imposed on the board by ORS 413.006 to 413.042
16 and 741.340 and by other statutes.

17 (5) The board shall consult with the Department of Consumer and Business Services in com-
18 pleting the tasks set forth in subsection (1)(j) and (k)(A) of this section.

19 **SECTION 13.** ORS 410.080 is amended to read:

20 410.080. (1) The Department of Human Services is the designated single state agency for all
21 federal programs under ORS 409.010 and 410.040 to 410.300 except that the Oregon Health Authority
22 is the single state agency responsible for supervising the administration of all programs funded by
23 Title XIX or Title XXI of the Social Security Act as provided in ORS 413.032 [(1)(i)] **(1)(h)**.

24 (2) Except as provided in ORS 410.070 (2)(d) and 410.100, the administration of services to clients
25 under ORS 410.040 to 410.300 shall be through area agencies, and shall comply with all applicable
26 federal regulations.

27 **SECTION 14.** (1) **Sections 2 to 4 of this 2025 Act and the amendments to ORS 410.080,**
28 **413.011, 413.032, 414.312, 414.314, 414.318, 414.320, 414.334 and 414.359 by sections 5 to 13 of this**
29 **2025 Act become operative on January 1, 2026.**

30 (2) **The Oregon Department of Administrative Services may take any action before the**
31 **operative date specified in subsection (1) of this section that is necessary for the department**
32 **to exercise, on and after the operative date specified in subsection (1) of this section, all the**
33 **duties, functions and powers conferred on the department by sections 2 to 4 of this 2025 Act**
34 **and the amendments to ORS 410.080, 413.011, 413.032, 414.312, 414.314, 414.318, 414.320, 414.334**
35 **and 414.359 by sections 5 to 13 of this 2025 Act.**

36 **SECTION 15.** **This 2025 Act takes effect on the 91st day after the date on which the 2025**
37 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**