

## HB 2679 -1 STAFF MEASURE SUMMARY

### House Committee On Health Care

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**Meeting Dates:** 2/19, 4/4

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#### WHAT THE MEASURE DOES:

Directs the administrator of the Oregon Prescription Drug Program to cooperate with the State of California to purchase bulk prescription drugs. Requires the administrator to report to the Legislative Assembly annually, starting December 1, 2020. Repeals the law on January 2, 2022. Declares emergency; takes effect upon passage.

#### ISSUES DISCUSSED:

- Provisions of the measure

#### EFFECT OF AMENDMENT:

-1 Modifies Oregon prescription drug program by allowing the administrator to contract with a pharmacy benefit manager, establish a state-managed wholesale or retail drug distribution or dispensing system. Prohibits administrator from requiring pharmacies to maintain or allocate separate inventories for prescription drugs dispensed through the program, except as necessary to enter into or carry out an agreement for the bulk purchasing of prescription drugs.

*REVENUE: May have revenue impact, but no statement yet issued.*

*FISCAL: May have fiscal impact, but no statement yet issued.*

#### BACKGROUND:

According to the National Conference of State Legislatures, as of 2018 there were five multi-state bulk purchasing pools with three focused on state Medicaid drug purchasing. The main purpose of these programs is to lower costs of prescription drugs by negotiating price concessions and rebates from manufacturers. Oregon is a member of the Sovereign States Drug Consortium (SSDC), a multi-consortium of 12 state Medicaid programs that operates through memorandums of understanding (MOUs) among each state to negotiate discounts from manufacturers. The Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP) is a group purchasing organization open to state and local government entities but does not serve state Medicaid programs. MMACP currently comprises 49 states and local government entities.

The Northwest Prescription Drug Program is a consortium between two states: Oregon and Washington. The purpose of the consortium is to negotiate discounts with drug manufacturers and make prescription drugs available at the lowest possible price for Oregon residents. In 2018, the two-state consortium managed \$800 million in annual drug purchases for more than 1 million enrollees.

House Bill 2679 directs the Oregon Prescription Drug Program to cooperate with the State of California to bulk purchase prescription drugs.