

SENATE AMENDMENTS TO SENATE BILL 329

By COMMITTEE ON HUMAN SERVICES

May 17

1 On page 1 of the printed bill, line 2, after “414.312” insert “and 414.314; and declaring an
2 emergency”.

3 Delete lines 4 through 31 and delete page 2 and insert:

4 “**SECTION 1.** ORS 414.312 is amended to read:

5 “414.312. (1) As used in ORS 414.312 to 414.318:

6 “(a) ‘Pharmacy benefit manager’ means an entity that, in addition to being a prescription drug
7 claims processor, negotiates and executes contracts with pharmacies, manages preferred drug lists,
8 negotiates rebates with prescription drug manufacturers and serves as an intermediary between the
9 Oregon Prescription Drug Program, prescription drug manufacturers and pharmacies.

10 “(b) ‘Prescription drug claims processor’ means an entity that processes and pays prescription
11 drug claims, adjudicates pharmacy claims, transmits prescription drug prices and claims data be-
12 tween pharmacies and the Oregon Prescription Drug Program and processes related payments to
13 pharmacies.

14 “(c) ‘Program price’ means the reimbursement rates and prescription drug prices established by
15 the administrator of the Oregon Prescription Drug Program.

16 “(2) The Oregon Prescription Drug Program is established in the Oregon Department of Ad-
17 ministrative Services. The purpose of the program is to:

18 “(a) Purchase prescription drugs or reimburse pharmacies for prescription drugs in order to re-
19 ceive discounted prices and rebates;

20 “(b) Make prescription drugs available at the lowest possible cost to participants in the pro-
21 gram; and

22 “(c) Maintain a list of prescription drugs recommended as the most effective prescription drugs
23 available at the best possible prices.

24 “(3) The Director of the Oregon Department of Administrative Services shall appoint an admin-
25 istrator of the Oregon Prescription Drug Program. The administrator shall:

26 “(a) Negotiate price discounts and rebates on prescription drugs with prescription drug man-
27 ufacturers;

28 “(b) Purchase prescription drugs on behalf of individuals and entities that participate in the
29 program;

30 “(c) Contract with a prescription drug claims processor to adjudicate pharmacy claims and
31 transmit program prices to pharmacies;

32 “(d) Determine program prices and reimburse pharmacies for prescription drugs;

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

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

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

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

4 “(a) Public Employees’ Benefit Board;

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

7 “(c) Enrollees in the Senior Prescription Drug Assistance Program created under ORS 414.342;

8 “(d) Oregon Health and Science University established under ORS 353.020;

9 “(e) State agencies that directly or indirectly purchase prescription drugs, including agencies
10 that dispense prescription drugs directly to persons in state-operated facilities; *[and]*

11 “(f) Residents of this state who[:]

12 “[*(A)* Are more than 54 years of age;]

13 “[*(B)*] have a gross annual income that does not exceed [*185*] **300** percent of the federal poverty
14 guidelines; and

15 “[*(C)* Have not been covered under any private prescription drug benefit program for the previous
16 six months.]

17 “**(g) Enrollees of health benefit plans as both terms are defined in ORS 743.730.**

18 “(5) The state agency that receives federal Medicaid funds and is responsible for implementing
19 the state’s medical assistance program may not participate in the program.

20 “(6) The administrator may establish different reimbursement rates or prescription drug prices
21 for pharmacies in rural areas to maintain statewide access to the program.

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

25 “(8) Except as provided in subsection (9) of this section, the administrator may not:

26 “(a) Contract with a pharmacy benefit manager;

27 “(b) Establish a state-managed wholesale or retail drug distribution or dispensing system; or

28 “(c) Require pharmacies to maintain or allocate separate inventories for prescription drugs dis-
29 pensed through the program.

30 “(9) The administrator shall contract with one or more entities to provide the functions of a
31 prescription drug claims processor. The administrator may also contract with a pharmacy benefit
32 manager to negotiate with prescription drug manufacturers on behalf of the administrator.

33 “**SECTION 2.** ORS 414.314 is amended to read:

34 “414.314. (1)(a) An individual or entity described in ORS 414.312 (4) may apply to participate in
35 the Oregon Prescription Drug Program. Participants shall apply annually on an application provided
36 by the Oregon Department of Administrative Services.

37 “(b) The department may charge participants a nominal fee to participate in the program. The
38 department shall issue a prescription drug identification card annually to participants of the pro-
39 gram.

40 “(c) **The administrator of the program shall limit enrollment of individuals described in**
41 **ORS 414.312 (4)(g) to a maximum enrollment of 250,000 individuals. The administrator may**
42 **establish a waiting list of individuals described in ORS 414.312 (4)(g) whose applications to**
43 **participate in the program have been declined due to closed enrollment and may periodically**
44 **open enrollment to accept applications as space becomes available.**

45 “(2) The department shall provide a mechanism to calculate and transmit the program prices for

1 prescription drugs to a pharmacy. The pharmacy shall charge the participant the program price for
2 a prescription drug.

3 “(3) A pharmacy may charge the participant the professional dispensing fee set by the depart-
4 ment.

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

7 **“SECTION 3. This 2005 Act being necessary for the immediate preservation of the public**
8 **peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect**
9 **on its passage.”**

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