

Changes in effect that will appear in Oregon Revised Statutes by January 2008 are:

- **In November 2006 78% of voters approved Ballot Measure 44 expanding the individuals eligible for participation to all uninsured.**
- **In April 2007 Senate Bill 362 expanded the individuals eligible for participation to all underinsured and it expanded groups eligible to participate to private sector groups and labor organizations.**
- **In June 2007 Senate Bill 329 moved the OPDP to the Department of Human Services from the Department of Administrative Services.**

OREGON REVISED STATUTES

414.312 Oregon Prescription Drug Program. (1) As used in ORS 414.312 to 414.318:

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

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

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

(2) The Oregon Prescription Drug Program is established in the Oregon Department of Administrative Services. The purpose of the program is to:

(a) Purchase prescription drugs or reimburse pharmacies for prescription drugs in order to receive discounted prices and rebates;

(b) Make prescription drugs available at the lowest possible cost to participants in the program; and

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

(3) The Director of the Oregon Department of Administrative Services shall appoint an administrator of the Oregon Prescription Drug Program. The administrator shall:

(a) Negotiate price discounts and rebates on prescription drugs with prescription drug manufacturers;

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

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

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

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

- (f) Develop a system for allocating and distributing the operational costs of the program and any rebates obtained to participants of the program; and
- (g) Cooperate with other states or regional consortia in the bulk purchase of prescription drugs.
- (4) The following individuals or entities may participate in the program:
- (a) Public Employees' Benefit Board;
- (b) Local governments as defined in ORS 174.116 and special government bodies as defined in ORS 174.117 that directly or indirectly purchase prescription drugs;
- (c) Enrollees in the Senior Prescription Drug Assistance Program created under ORS 414.342;
- (d) Oregon Health and Science University established under ORS 353.020;
- (e) State agencies that directly or indirectly purchase prescription drugs, including agencies that dispense prescription drugs directly to persons in state-operated facilities; and
- (f) Residents of this state who:
- (A) Are more than 54 years of age;
- (B) Have a gross annual income that does not exceed 185 percent of the federal poverty guidelines; and
- (C) Have not been covered under any private prescription drug benefit program for the previous six months.
- (5) The state agency that receives federal Medicaid funds and is responsible for implementing the state's medical assistance program may not participate in the program.
- (6) The administrator may establish different reimbursement rates or prescription drug prices for pharmacies in rural areas to maintain statewide access to the program.
- (7) The administrator shall establish the terms and conditions for a pharmacy to enroll in the program. A licensed pharmacy that is willing to accept the terms and conditions established by the administrator may apply to enroll in the program.
- (8) Except as provided in subsection (9) of this section, the administrator may not:
- (a) Contract with a pharmacy benefit manager;
- (b) Establish a state-managed wholesale or retail drug distribution or dispensing system; or
- (c) Require pharmacies to maintain or allocate separate inventories for prescription drugs dispensed through the program.
- (9) The administrator shall contract with one or more entities to provide the functions of a prescription drug claims processor. The administrator may also contract with a pharmacy benefit manager to negotiate with prescription drug manufacturers on behalf of the administrator. [2003 c.714 §1]

Note: 414.312 to 414.320 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 414 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

414.314 Application and participation in Oregon Prescription Drug Program; prescription drug charges; fees. (1) An individual or entity described in ORS 414.312 (4) may apply to participate in the Oregon Prescription Drug Program. Participants shall apply annually on an application provided by the Oregon Department of Administrative

Services. The department may charge participants a nominal fee to participate in the program. The department shall issue a prescription drug identification card annually to participants of the program.

(2) The department shall provide a mechanism to calculate and transmit the program prices for prescription drugs to a pharmacy. The pharmacy shall charge the participant the program price for a prescription drug.

(3) A pharmacy may charge the participant the professional dispensing fee set by the department.

(4) Prescription drug identification cards issued under this section must contain the information necessary for proper claims adjudication or transmission of price data. [2003 c.714 §2]

Note: See note under 414.312.

414.316 Preferred drug list for Oregon Prescription Drug Program. The Office for Oregon Health Policy and Research shall develop and recommend to the Oregon Department of Administrative Services a preferred drug list that identifies preferred choices of prescription drugs within therapeutic classes for particular diseases and conditions, including generic alternatives, for use in the Oregon Prescription Drug Program. The office shall conduct public hearings and use evidence-based evaluations on the effectiveness of similar prescription drugs to develop the preferred drug list. [2003 c.714 §3]

Note: See note under 414.312.

414.318 Prescription Drug Purchasing Fund. The Prescription Drug Purchasing Fund is established separate and distinct from the General Fund. The Prescription Drug Purchasing Fund shall consist of moneys appropriated to the fund by the Legislative Assembly and moneys received by the Oregon Department of Administrative Services for the purposes established in this section in the form of gifts, grants, bequests, endowments or donations. The moneys in the Prescription Drug Purchasing Fund are continuously appropriated to the Oregon Department of Administrative Services and shall be used to purchase prescription drugs, reimburse pharmacies for prescription drugs and reimburse the department for the costs of administering the Oregon Prescription Drug Program, including contracted services costs, computer costs, professional dispensing fees paid to retail pharmacies and other reasonable program costs. Interest earned on the fund shall be credited to the fund. [2003 c.714 §4]

Note: See note under 414.312.

414.320 Rules. The Oregon Department of Administrative Services shall adopt rules to implement and administer ORS 414.312 to 414.318. The rules shall include but are not limited to establishing procedures for:

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

(2) Enrolling pharmacies in the program. [2003 c.714 §5]

Note: See note under 414.312.

Note: Sections 7 and 8, chapter 714, Oregon Laws 2003, provide:

Sec. 7. (1) Not later than September 30, 2004, the Oregon Department of Administrative Services shall report to the appropriate interim legislative committee and to the Emergency Board on the department's preparations to implement the Oregon Prescription Drug Program, including but not limited to:

(a) The number of individuals and entities that the department expects to enroll in the program and the number of persons for whom the department expects to purchase prescription drugs;

(b) How the department expects the program to affect prescription drug prices for participants;

(c) The rules proposed or adopted by the department to implement the program;

(d) The feasibility and advisability of expanding the program; and

(e) A plan to expand the program if the department determines that expansion is feasible and advisable.

(2) Subject to available funding for the program, not later than October 1, 2004, the department shall begin implementation of the program. [2003 c.714 §7]

Sec. 8. If a rule adopted by the Oregon Department of Administrative Services under section 5 of this 2003 Act [414.320] is not approved by the Seventy-third Legislative Assembly, the rule is repealed on January 1, 2006. [2003 c.714 §8]