Oregon Prescription Drug Affordability Board

Expand Oregon PDAB review authority and flexibility

Recommendation

The Oregon Prescription Drug Affordability Board (PDAB) recommends amending ORS 646A.694 so individual-drug affordability reviews are an available board function rather than the required annual process. The amendment would preserve the board's authority to review individual drugs while allowing it to direct available resources toward therapeutic classes, market practices, access issues, purchasing arrangements, or evaluations of existing state policies when those subjects present clear and actionable concerns for Oregon patients or the health care system.[1] The board also recommends amending ORS 646A.696 and ORS 646A.697 so that annual reports reflect the broader review authority.[2]

Problem to solve

The current statute directs PDAB to protect residents of this state and other stakeholders within the health care system from the high costs of prescription drugs. To accomplish this goal, the statute directs PDAB to complete an annual process centered on affordability reviews of individual prescription drugs. That structure supports product-specific analysis but limits the board's ability to examine how benefit design, rebates, pharmacy benefit manager (PBM) practices, pharmacy purchasing, pharmacy reimbursement, competition, distribution, shortages, and state policies interact to affect affordability of and access to prescription drugs. Oregon programs collect different parts of this information, yet no single review routinely integrates the evidence across the prescription drug delivery system and identifies remaining concerns for legislators.

Board and staff resources cannot maintain the current annual affordability review workload and carry out broad market or policy evaluations at the same time. A statutory change is needed so the board can prioritize the work most likely to inform legislative decisions while using existing resources.

[1] Oregon Division of Financial Regulation. (2026, September 8). *Expanding Oregon PDAB scope* [PDF]. Oregon Prescription Drug Affordability Board. Retrieved from https://dfr.oregon.gov/pdab/Documents/PDAB-Scope-Expansion-Memo.pdf.

[2] Oregon Revised Statutes 646A.693-646A.697 (2025), especially 646A.694, 646A.696, and ORS 646A.697. https://www.oregonlegislature.gov/bills_laws/ors/ors646a.html

Potential statutory direction

Make affordability reviews discretionary: Replace the annual requirement to identify and review individual drugs with authority for the board to conduct affordability reviews when warranted.

Preserve individual-drug review authority: Continue allowing the board to use the existing ORS 646A.694 criteria when an individual-drug review is selected.

Authorize reviews of drug delivery system topics: Permit the board to examine therapeutic classes, market segments, industry practices, purchasing arrangements, patient-access issues, and the performance of existing state policies.

Retain annual legislative reporting: The board should report annually on completed work, material concerns identified through any review, information gaps, findings about affordability or access, and recommendations for legislative consideration.

Statutory changes

The amendment should establish authority and flexibility in the statute while leaving review procedures to PDAB rulemaking. Amendments should:

- Remove the requirement that individual-drug affordability reviews occur each calendar year.
- Provide that the board may conduct one or more authorized reviews according to an annual work plan and available resources.
- Use a broad, nonexclusive list of review subjects so future market changes do not require repeated statutory amendments.
- Authorize coordination with relevant Oregon agencies and programs to use existing information, avoid duplicative reporting, and identify data gaps.
- Preserve appropriate confidentiality, public participation, conflict-of-interest, and evidence protections that apply to board work.
- Edit the annual report required under ORS 646A.696 and ORS 646A.697, and expand the contents to reflect the broader review authority.

Annual legislative report

The annual report should remain a requirement even when the board does not conduct individual-drug affordability reviews. For the work completed during the reporting period, the report should include:

- Subjects reviewed and why they were selected.
- Oregon-specific evidence and relevant stakeholder perspectives.

- Identified concerns related to cost, patient access, competition, pharmacy access, or supply.
- Market or policy factors contributing to the concern.
- Information limitations and questions that could not be answered.
- Policy options and targeted legislative recommendations when supported by the evidence.

Arguments for the recommendation

Better alignment with the board's statutory purpose

Individual drug reviews provide product-specific evidence, but they do not necessarily show how benefit design, rebates, PBM practices, purchasing arrangements, pharmacy reimbursement, competition, distribution, shortages, and state policies combine to affect affordability and access. Authority to select a broader unit of analysis could allow the board to address the source of a problem when it extends beyond one drug review.

More useful allocation of limited capacity

A discretionary work plan could allow the board to direct staff and board time toward the question most likely to produce actionable findings for the legislature, rather than completing the same type of review every year regardless of the relative importance of other emerging concerns.

Preservation of existing tools and accountability

The proposed expansion scope would retain authority to conduct individual drug reviews and would continue annual legislative reporting. Public work plan criteria, public participation, confidentiality protections, conflict-of-interest requirements, and disclosure of data limitations could preserve transparency while allowing the board to choose the most appropriate unit of analysis.

Arguments against the recommendation

Reduce predictability and product specific accountability

Removing the annual requirement could result in fewer individual drugs reviews, less year-to-year comparability, and fewer recurring opportunities for patients, purchasers, manufacturers, insurers, and pharmacies to publicly discuss high-cost drugs. Annual reporting does not guarantee that any individual drug is reviewed.

Broader reviews may require more resources, not fewer

Market-wide or policy evaluation may require data the board does not currently receive, additional legal and analytic expertise, coordination across agencies, and more extensive stakeholder engagement. Statutory flexibility would not by itself resolve those capacity or data-access constraints.

Potential delay in responding to high-cost products

If broader reviews displace routine screening of individual drugs, emerging drugs that create immediate affordability concerns may receive less timely attention.

Recommended legislative action

Amend ORS 646A.694 and conforming provisions of ORS 646A.696 and ORS 646A.697 to make individual-drug affordability reviews discretionary, authorize broader evidence-based reviews of prescription drug affordability and access concerns, and require PDAB to report its findings and recommendations annually. The amendment would give the board flexibility to focus limited resources on the review most useful to Oregon legislators and residents while preserving individual-drug reviews as an available tool.