

BILL BRADBURY  
SECRETARY OF STATE



ELECTIONS DIVISION  
JOHN LINDBACK  
DIRECTOR  
141 STATE CAPITOL  
SALEM, OREGON 97310-0722  
ELECTIONS—(503) 986-1518

November 7, 2005

To All Interested Parties:

Secretary of State Bill Bradbury is responsible for the pre-election review of proposed initiative petitions for compliance with the procedural constitutional requirements established in the Oregon Constitution for initiative petitions. This review will be completed before approving the form of the cover and signature sheets for the purpose of circulating the proposed initiative petition to gather signatures.

The Secretary of State is seeking public input on whether proposed initiative petition (#122), satisfies the procedural constitutional requirements for circulation as a proposed initiative petition. Petition #122 was filed in our office on December 6, 2005, by Bill Morrisette, for the General Election of November 7, 2006.

Enclosed is a copy of the text of this proposed initiative petition. If you are interested in providing comments on whether the proposed initiative petition meets the procedural constitutional requirements, please write to the secretary at the Elections Division in the State Capitol. Your comments, if any, must be received by the Elections Division no later than December 29, 2005, in order for them to be considered in the review.

BILL BRADBURY  
Secretary of State

BY:   
Carla Corbin  
Compliance Specialist



1 shall appoint an administrator of the Oregon Prescription Drug Program.

2 The administrator shall:

3 (a) Negotiate price discounts and rebates on prescription drugs with pre-  
4 scription drug manufacturers;

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

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

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

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

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

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

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

17 (a) Public Employees' Benefit Board;

18 (b) Local governments as defined in ORS 174.116 and special government  
19 bodies as defined in ORS 174.117 that directly or indirectly purchase pre-  
20 scription drugs;

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

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

24 (e) State agencies that directly or indirectly purchase prescription drugs,  
25 including agencies that dispense prescription drugs directly to persons in  
26 state-operated facilities; and

27 (f) Residents of this state who[:]

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

29 [(B) *Have a gross annual income that does not exceed 185 percent of the*  
30 *federal poverty guidelines; and*]

31 [(C) *Have not been covered under any private prescription drug benefit*

1 *program for the previous six months]* **do not have prescription drug cov-**  
2 **erage.**

3 (5) The state agency that receives federal Medicaid funds and is respon-  
4 sible for implementing the state's medical assistance program may not par-  
5 ticipate in the program.

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

9 (7) The administrator shall establish the terms and conditions for a  
10 pharmacy to enroll in the program. A licensed pharmacy that is willing to  
11 accept the terms and conditions established by the administrator may apply  
12 to enroll in the program.

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

15 (a) Contract with a pharmacy benefit manager;

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

18 (c) Require pharmacies to maintain or allocate separate inventories for  
19 prescription drugs dispensed through the program.

20 (9) The administrator shall contract with one or more entities to provide  
21 the functions of a prescription drug claims processor. The administrator may  
22 also contract with a pharmacy benefit manager to negotiate with pre-  
23 scription drug manufacturers on behalf of the administrator.

24 **(10) Notwithstanding subsection (4)(f) of this section, individuals**  
25 **who are eligible for Medicare Part D prescription drug coverage may**  
26 **participate in the program.**

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~~SECRETARY OF THE STATE  
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