



February 19, 2019

Honorable Chair Mitch Greenlick  
900 Court St NE, H-493  
Salem, OR 97301

**RE:** Letter of support for HB 2689, HB 2658, HB 2961, HB 2753, HB 2754, and HB 2755

Chair Greenlick, and members of the House Health Care Committee,

PacificSource is an independent, not-for-profit health plan based in Oregon. We serve commercial, Medicaid, and Medicare lives and are the contracted Coordinated Care Organization (CCO) in Central Oregon and the Columbia River Gorge through PacificSource Community Solutions. Our mission is to provide better health, better care, and better value to the people and communities we serve.

PacificSource Health Plans fully supports many of the bills before you today and respectfully requests the Committee's support for these bills, which will work in tandem to lower the cost of prescription drugs.

**HB 2689** allows for the legal, safe importation of prescription drugs from Canada with the objective of significant consumer cost savings. Many people are already ordering prescriptions from Canada; HB 2689 will ensure they are getting the same quality medications they would get in the U.S. in a way that is regulated and controlled.

Importing prescription drugs from Canada introduces a free market approach to curbing prescription drug prices. Canada is a natural fit because their safety standards are similar to the U.S. Under HB 2689, Oregon would implement a drug importation program that would meet the safety requirements of the U.S. Health and Human Services Department as well as comply with protections around exporting to other states than Oregon and ensure significant consumer cost savings. Importation from Canada will save Oregonians thousands of dollars every year on prescription drugs and provide health plans with more competitive options.

**HB 2658** requires drug manufacturers to provide 60-days' notice of price increases to the Oregon Department of Consumer and Business Services. HB 2658 applies to:

- Brand drugs: 10% or more, or \$10,000+, over a 12-month period
- Generic drugs: 25% or more, or \$300+, over a 3-month period.

California passed a similar provision in 2018, but not all insurers have access to this information. Oregon's consumers should be given the same warning of price increases—and the reasons for the price increases—as our neighbors to the south. That's why a broad coalition from consumers to health care providers support HB 2658.

**HB 2961** would require pharmaceutical drug companies to disclose wholesale price points for a given product in all advertisements placed in Oregon including newspaper, radio, television or other print, broadcast or electronic advertisements. Should a pharmaceutical company fail to comply with the law, the Attorney General will impose a \$5,000 fine. HB 2691 would provide Oregonians with the opportunity to make informed purchases and disincentivize out of sight price increases above wholesale costs thereby helping stabilize a broken and unsustainable market.

**HB 2755** combines two bills: **HB 2753** (generics) and **HB 2754** (biologics).

- HB 2753 requires pharmacists to substitute name brand drugs for the lowest costs generic alternative unless there is no alternative or interchangeable drug available.
- HB 2754 requires pharmacists to substitute name brand biological products for the lowest cost alternative unless there is no alternative or interchangeable biological product available.

These changes would disincentivize over-inflation of name brands and position consumers to pay the lowest possible cost available to them. Mandatory substitution of an interchangeable biological product helps manage consumer costs by reimbursing the cost of a given prescribed biological product up to the price of the lowest-price alternative. The State Board of Pharmacy would oversee implantation and compliance with the law.

Lowering the cost of pharmaceuticals will lower the cost of health care for everyone. Lowering health care costs also means more dollars can go toward other needs in the state budget. With pharmaceutical companies raising prices of medication at more than 10 times the rate of inflation, the time to act is now.

We live in a time when drug companies make double the profits of pharmacists, distributors, insurance companies, and pharmacy benefit managers combined. These record profits exacerbate high costs for medications that affect everyone: patients, providers, employers, taxpayers, hospitals and health plans. Prescription drugs cost Americans, on average, twice as much as other industrialized countries for medications.

We respectfully request your support for these bills and commend Rep. Greenlick and the committee for giving this legislation due consideration in service to your constituencies and Oregonians from across the state. These bills are critical to the physical and economic health of all Oregonians.

A handwritten signature in black ink, appearing to read "Mihir Patel", written in a cursive style.

Mihir H. Patel, PharmD  
Vice President, Pharmacy Services