



Service Employees International Union – Oregon State Council
6401 SE Foster ▪ Portland, OR 97206

March 3, 2021

Dear Chair Patterson and Members of the Committee,

For the record, my name is Katie Shriver, and I am representing SEIU Oregon to speak in support of SB 763 and 764.

SEIU is an organization of 85,000 working Oregonians. Our mission is to achieve a higher standard of living for our members, their families, and their dependents by elevating their social conditions and by striving to create a more just society. SEIU approaches healthcare policy from the perspectives of our members, who include care workers, hospital workers, airport workers, security workers, and public workers. SEIU also considers the effect of health policy on the Public Employees' Benefit Board (PEBB), which .

A working paper released last month by the National Bureau of Economic Research (NBER)¹ illustrates the burden and fatal impact of cost increases of prescription medications on patients. The working paper describes an analysis of more than 358,000 relatively healthy 65-year-old Medicare beneficiaries. It found that a \$10.40 increase in out-of-pocket costs per prescription was associated with a 22.6 percent drop in consumption of prescription drugs and a 32.7 percent increase in monthly mortality rates.

While access to prescription medications is vital for health, prescription drug prices in the United States have climbed quickly. The Purchaser Business Group on Health (PBGH) notes the cost of prescription drugs has increased three times faster than the rate of inflation over the past decade². This rate of increase is costly for Oregon employers, including State government. The cost of prescription drugs paid by PEBB on a per employee per year basis grew 6 percent this year and 5.6 percent last year. Rising cost increases often means higher copays and other cost sharing for patients.

¹ Amitabh Chandra, Evan Flack, and Ziad Obermeyer. *The Health Costs of Cost-Sharing*. National Bureau of Economic Research (NBER) Working Paper Series. February 2021.

https://www.nber.org/system/files/working_papers/w28439/w28439.pdf

² Purchaser Business Group on Health website: <https://www.pbgh.org/initiative/reducing-drug-prices/>

Pharmaceutical companies are motivated by profit to continue to increase the prices of the medications that they know people need. Reining in these price increases requires legislators to adopt solutions that address different aspects of the prescription drug pricing problem. SB 763 and SB 764 will help to control prices by seeking to stop delays in bringing generic medications to market and by improving transparency around pharmaceutical sales. SEIU asks you to support both SB 763 and SB 764.

Thank you for the opportunity to testify.