



Healthcare Distribution Alliance

PATIENTS MOVE US.

March 17, 2021

Oregon Legislative Assembly
Senate Committee on Healthcare
900 Court Street, NE
Salem, Oregon 97301

Chairwoman Patterson, Vice Chair Knopp and Members of the Senate Committee on Healthcare,

The Healthcare Distribution Alliance (HDA) offers this letter to share our concerns with Senate Bill 844, establishing the Prescription Drug Affordability Board. HDA is the national trade association representing healthcare wholesale distributors — the vital link between the nation’s pharmaceutical and healthcare manufacturers and more than 180,000 pharmacies, hospitals, and other healthcare settings nationwide.

Each day, wholesale distributors work around the clock to ship nearly 15 million healthcare products (medicines, medical supplies, durable medical equipment, etc.) to pharmacies, hospitals, and other healthcare providers daily to keep their shelves stocked with the medications and products they need to treat and serve patients. Wholesale distributors are unlike any other supply chain participants. Their core business is not manufacturing, and they do not prescribe medicines, influence healthcare professionals prescribing patterns, dispense medications to patients, influence patient benefit designs, or set the Wholesale Acquisition Cost (WAC) of medications. Their key role is to serve as a conduit for medicines to travel from manufacturer to patient while ensuring the supply chain is fully secure and operating efficiently.

While HDA supports the state’s efforts in seeking a better understanding of the prices that consumers see at the pharmacy counter, we have concerns regarding the upper payment limit and its impact on the supply chain. As proposed, the upper payment limit would establish a cap on any transaction for the medications the Affordability Board has identified. Unfortunately, this would leave little ability for a pharmacy, clinic or other point of care to recoup costs for administering or dispensing these products which could result in pharmacies choosing not to stock these medications.

We would further request the legislation incorporate a representative from the wholesale distribution industry as a member of the Oregon prescription drug affordability advisory council. While wholesale distributors do not have any insight into how a manufacturer sets the list price, into the pricing of dispensable units, or the prices that consumers pay based on what it costs them to fill their specific prescriptions, we believe it is important that the Advisory Council is representative of the full supply chain.

Again, while we appreciate the intent of the legislation, we wanted to bring these issues to the attention of the committee. Please contact me at Llindahl@hda.org or (303) 829-4121 if you have any questions or would like to discuss this issue further.

Thank you,

A handwritten signature in black ink that reads "Leah D. Lindahl". The signature is written in a cursive, flowing style.

Leah Lindahl
Senior Director, State Government Affairs
Healthcare Distribution Alliance