



House Committee on Health Care
Testimony in Support of SB 764A
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AARP Oregon is pleased to support SB 764A that prohibits the practice of “pay for delay” in the pharmaceutical industry in Oregon; closing a loophole that allows drug companies to block entry into the market of lower-cost generics. AARP is the nation’s largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With 503,000 members in Oregon, AARP works to strengthen communities and advocate for what matters most to families, with a focus on health security, financial stability and personal fulfillment.

By passing SB 764A, Oregon would join California in enacting legislation that eliminates the practice of brand name and competing generic drug manufacturers from agreeing to delay entry into the market of the generic drug in exchange for something of value. SB 764A gives the Attorney General the authority to bring a civil action and for the courts to issue a fine if there is a violation of the law.

Prescription drug prices in the United States are among the highest in the world and for older individuals on fixed incomes, increasing costs can lead to difficult decisions and potentially fatal outcomes. According to an AARP survey conducted in 2019, 80% of older voters take at least one prescription medication on a daily basis, and 72% say they are concerned about the cost of their medications.¹ Generic prescription drugs can offer significant savings not only to individual consumers but to health systems and government entities that purchase prescription drug medication.

According to the Federal Trade Commission, pay-for-delay agreements have significantly postponed substantial consumer savings from lower generic drug prices, costing consumers \$3.5 billion in higher costs each year.² The price of generic drugs can be as much as 90% lower than the price of their brand name counterparts and getting these drugs in the hands of consumers would save money, improve drug adherence and, most importantly, save lives.

We must stop the practice of “pay-for-delay” and SB 764A would make it more difficult for pharmaceutical companies to engage in this damaging practices. AARP urges you to pass SB 764A.

¹ https://www.aarp.org/content/dam/aarp/research/surveys_statistics/health/2019/likely-voters-prescription-drug-survey-fact-sheet.doi.10.26419-2Fres.00295.001.pdf

² <https://www.ftc.gov/sites/default/files/documents/reports/pay-delay-how-drug-company-pay-offs-cost-consumers-billions-federal-trade-commission-staff-study/100112payfordelayrpt.pdf>