



February 22, 2021

Chair Patterson, Members of the Senate Health Committee,

Oregon has been a leader in promoting transparency up and down the drug supply chain over the last several years. When the legislature passed HB 4005 in 2018 you created one of the first programs in the nation to improve drug pricing transparency and we have just begun to see the benefits of creating such a program. At Cambia we are committed to the work of price transparency and therefore we strongly oppose SB 560. To be clear SB 560 would be a significant step backwards for Oregon and not only cloud the reasoning behind the high cost of drugs, but it would have a substantial negative impact on most premiums in the state.

It is not hard to find material from objective sources that can provide clarity on how these programs are used to drive individuals to more expensive drugs. Last year CMS looked closely at the issue and determined that health plans should be allowed to decide whether it would be appropriate to apply third party payments against out-of-pocket maximums. **We urge you to follow CMS' lead and not pass SB 560.**

Third party payments clearly drive individuals to higher cost drugs and higher cost treatments. These higher cost specialty drugs are also currently one of the most impactful drivers in the spiraling cost of healthcare in Oregon and across the country. SB 560 will give drug manufacturers a license to increase the prices of high-cost drugs and likely discourage individuals to choose lower cost generics or other alternative options. **We urge you to not create these costly incentives and not pass SB 560.**

Finally, if the legislature would like to take up this issue in the future, we first urge you to create transparency measures that adequately shine a light on how third-party payments are used today. Below is model language that we would encourage you to adopt to give the full picture:

MANUFACTURER--SPONSORED ASSISTANCE PROGRAMS

By the first day of the third month following the start of each year, manufacturers of brand name or generic drugs sold in the state shall provide DCBS with a description of each manufacturer sponsored patient assistance program in effect during the previous year, including:

- i. The terms of the program*
- ii. The number of prescriptions provided to state residents under the program*
- iii. The total market value of assistance provided to state residents*

Without a full understanding of who is behind these programs and the reasons why, it's hard to find sound solutions to drive down the cost of drugs. Adding the above language to the Drug Price Transparency program would help create this understanding for all. It is worth reminding the committee that Pharma continues to pursue actions to reduce drug price transparency in Oregon. In

December of 2019 Pharma filed a civil action in the United States District Court for the District of Oregon challenging HB 4005 from 2018 and the follow up HB 2658 from 2019. SB 560 is Pharma's next attempt to reduce transparency in Oregon. **Please don't reward their efforts – we urge you to not pass SB 560.**

Sincerely,
Vince Porter
Director of Government Affairs