

From the Desk of Representative Rob Nosse

*Rob Nosse*



**OSPA**  
OREGON STATE  
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## Regarding Fiscal Impact to OHA of HB 3013-A6

The fiscal impact document from the Legislative Fiscal Office regarding impact for the Oregon Health Authority states, “the measure has an indeterminant fiscal impact...” and that “the establishment of pharmacy reimbursement standards and provisions allowing licensed pharmacies to participate as preferred providers under certain conditions could impact the premium costs of the Public Employee’s Benefit Board and Oregon Educators Benefit Board.”

What HB 3013 does is establish a minimum payment model for pharmacies which is cost based and completely transparent. The State of Oregon determines payment based on the average acquisition cost of drugs for Oregon pharmacies and also determines dispensing fees which will cover the actual costs to dispense prescriptions at Oregon pharmacies. The model is not new, it has been used effectively for open card Medicaid patients for years.

We agree that this model will have an “indeterminant” fiscal impact because it replaces an opaque system of hidden PBM costs and profits with a transparent one. Pharmacy dispensing fees will go up, but drug costs will go down. Both will be publicly known and auditable. PBMs can no longer manipulate drug costs and fees or hide taking spread on pharmacy expenses. We believe the fiscal impact will be less than projected as OHA will only pay the true cost of prescriptions at Oregon pharmacies. If there is an increase in expense, then this represents the amount of underpayment to Oregon community pharmacies today.

Preferred provider participation means that PEBB and OEBC members will have access to use their preferred community pharmacy where they live. Studies have shown that plan costs do not go up when patients use local pharmacies vs. mail order or PBM owned pharmacies<sup>1</sup>. There is waste in the mail order system and an overutilization driven by the PBMs. Patients who have personal relationships with their community pharmacist end up utilizing more cost-effective drug therapies and avoiding adverse events and hospitalizations. Also, a mail order prescription is not necessarily cheaper than one filled at a community pharmacy. The report: Understanding Pharmacy Reimbursement Trends in Oregon details one example where a drug, dimethyl fumarate, was excluded from being filled at local pharmacies by CCO PBMs and the PBMs billed the state of Oregon \$2 million more than if community pharmacies had been allowed to fill the medication!<sup>2</sup>