



Healthcare Distribution Alliance

HEALTH DELIVERED

June 21, 2023

Oregon State Legislature
Attn: House Committee on Rules
Oregon General Assembly
900 Court St. NE
Salem, Oregon 97301

Dear Members of the House Committee on Rules,

The Healthcare Distribution Alliance (HDA) represents pharmaceutical wholesale distributors and offers this letter to raise a technical issue with SB 192.

SB 192 is inconsistent with the existing definitions of “of manufacturer” in ORS 646A.683. Repackaging services as well as private label distributors are business entities separate from the manufacturer. Our members do not participate in the manufacturing or processing of a drug but instead label, package and distribute drugs under its own trade name. These entities have no insight or influence over a drug’s original list price, research and development costs, marketing and do not perform any safety and effectiveness research since they are not the manufacturer of the product. It is our belief that distributors and re-packaging operations are not the entities SB 192 is intended to regulate through the Prescription Drug Affordability Board (PDAB).

In 2019, the legislature passed HB 2658, which is now codified at ORS 646A.683. The statute being amended by SB 192, ORS 646A.689, by contrast, is a different but related statute that requires annual price increase reporting by prescription drug manufacturers and was originally adopted prior to ORS 646A.683, in 2018. Given our member’s role in the pharmaceutical supply chain, repackaging and private label distributors would have no ability to provide the PDAB with the requested information and should be included under the listing of exemptions within the definition, or the definition should be consistent with ORS 646A.683.

We respectfully request that you consider amending the legislation to remove repackaging and private label distributors from the definition of “Manufacture” and align with ORS 646A.683 or separate the definitional subsections from both statutes into a new statute that just contains all the applicable definitions for drug pricing oversight and accountability.

We understand that changes are difficult given the short time before Constitutional adjournment this week. We are willing to work with the Division of Financial Regulation to ensure this is cleaned up in future legislation.

Thank you,

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

Leah Lindahl
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