



January 20, 2022

Interim Chief Executive Officer

Emily Gilliland

Dear Chair Nosse, Vice-Chairs Goodwin & Nelson, and committee members:

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I am writing on behalf of Cascade AIDS Project (CAP) to express our support for House Bill 3012.

As the oldest and largest provider of HIV services in Oregon, we at CAP know better than anyone that the high cost of HIV medication and insurance-related barriers to these drugs are among the primary drivers of the ongoing HIV epidemic. When people living with HIV cannot afford or access HIV treatment, they not only experience negative health outcomes, but are at risk of transmitting HIV to others.

Although pharmaceutical manufacturers and insurance companies also play important roles in the increasing cost of and barriers to HIV medication, pharmacy-benefit managers (PBMs) are a large part of the problem, since they typically control which drugs are on plan formularies, which drugs are subject to cost-sharing, and which drugs are under utilization management (e.g., step therapy). For example, between 2014 and 2020, PBMs' use of step therapy for HIV medications grew by a whopping 546%.

Pharmacy-benefit managers use their control to negotiate rebates from manufacturers, but do not pass on those most of those savings to people living with HIV and others who rely on medications. After Texas passed a PBM transparency and reporting law, for instance, the state learned that enrollees received less than 2% of the more than \$850 million PBMs took in from drug manufacturers in 2019.

As that Texas law suggests, improving transparency around pharmacy benefit managers can increase these companies' accountability to the public, inform government oversight of the industry, and exert downward pressure on healthcare costs. HB 3012 would bring greater transparency to PBM practices here in Oregon. For the benefit of people living with HIV and all healthcare consumers, we encourage you to move this legislation forward.

Sincerely,

Jonathan Frochtz wajg
Public Policy & Grants Manager, Cascade AIDS Project