

Submitter: Susan Bliss

On Behalf Of:

Committee: House Committee On Behavioral Health and Health Care

Measure: HB3013

Oregon State Legislature

House Committee on Behavioral Health and Health Care

900 Court Street NE

Salem, OR 97301

Chair Nosse, Vice-Chairs Goodwin and Nelson, Members of the Committee:
Oregonians need access to prescription drugs. Nearly every one of your constituents lives in a part of Oregon that has limited options and continues to see the problem worsen because of Pharmacy Benefit Manager (PBM) practices. I am an Oregon licensed pharmacist and I am submitting written testimony in support of PBM bills HB 3012, HB 3013 and HB 3015.

These bills will save lives in Oregon. They will:

1. Require that PBMs be licensed by the Department of Consumer and Business services.
2. Establish a dedicated FTE to regulate their business practices in Oregon.
3. Additionally, to combat unfair reimbursement practices that are driving pharmacies out of business, this bill will require that pharmacies are reimbursed at the same rate as fee-for-service Medicaid, which sets rates that only reimburse pharmacies for the costs they incur for filling a prescription.
4. This reimbursement provision will also add some transparency to prevent spread pricing.
5. Other provisions, such as requiring that PBMs do not retaliate against pharmacies for trying to enforce fair business practices, regulating remote audits, and preventing excess fees for submitting claims, will help prevent PBMs from changing tactics to continue their lopsided payment structure.

PBMs are companies that manage prescription drug benefit programs for health plans. PBMs promote themselves as saving health plans (and their members) money. This helps them avoid regulation, and their negotiations and the discounts (or rebates) they get from drug companies are very secretive.

PBMs commonly use “spread-pricing”, which enables the PBMs to charge health plans higher prices than the PBM pays to pharmacies—so they make extra, unknown profits.

Reimbursement issues are driving community pharmacies out of business. Most health plans use outdated cost lists and offer reimbursement that does not cover drug costs, and no matter who pays the bill, the the cost to dispense drugs lawfully does not change. Pharmacies are also hammered with fees or reduced reimbursements

months after a prescription is filled.

Pharmacies are forced to take poor contracts, since just three PBMs handle 76% of insured lives. Up to half of a pharmacy's patients may be covered by one of these PBMs and they would lose all those patients if they do not take the contract.

These "take it or leave it" contracts are full of provisions that seem more anti-competitive in nature than for patient safety or program integrity.

According to the 2008 National Community Pharmacy Association (NCPA) Annual Digest Report there were 248 independent pharmacies in Oregon. In 2022, there were only 90 independent pharmacies remaining. Bi-mart was forced to close all of its pharmacies due to this kind of impossible "reimbursement". Only 43 Chain pharmacies opened during that time, mostly in larger markets.

Thank you for considering these bills, which will improve the health of all Oregonians! You have the opportunity to fix the problem. Otherwise, patients across our great state will suffer.