



Oregon Society of Health-system Pharmacists OSHP Testimony on HB 2715

Chair Nosse, Vice Chairs Goodwin and Nelson, and members of the House Behavioral Health and Healthcare Committee, my name is Michael Millard and I am representing the Oregon Pharmacy Coalition and the Oregon Society of Health-System Pharmacists in support of HB 2715.

I am here today to urge support of the Legislature to regulate and prevent abuse by the Pharmacy Benefit Managers in the routine and safe dispensing and administration of physician administered drugs to patients outside of their homes. Many of you may have experience with friends or family members who must go to a hospital, clinic, or doctor's office to receive a medication, usually by injection or infusion. This is the situation that HB 2715 addresses.

PBM's have recently begun the practice of requiring that the drug be dispensed by a PBM-owned pharmacy and sent to the location (hospital, clinic, or office) where the patient will arrive and require the staff there to prepare and administer the drug. As the drug sometimes arrives in a paper bag, this practice has been called "white bagging".

Imagine if you had a restaurant and someone brought you a bag of food and said "cook this and serve it".

Providers such as health systems and physicians have carefully selected trusted sources of the potent, dangerous, and expensive drugs they provide for their sickest and most vulnerable patients. The FDA has strictly regulated the medication supply chain with stringent track and trace regulations for wholesaler distribution and manufacturers. Medical staffs and formulary committees have reviewed product information to determine product usefulness and safety information in selection of products. And yet here comes the "white bag". Where did it come from? How was it stored? How long was it sitting in the truck? What's wrong with the exact same drug I have on my shelf?

PBM pharmacies want to provide the medication so that they can capture the negotiated discount from the manufacturer that the PBM may have been able to extract. Could they have negotiated a better discount for themselves than the clinic was able to and kept the difference?

This is a complex issue, and I am not able to describe the specialty pharmacy distribution system and the ways in which the PBM's can manipulate and dominate this market in the short time with you today. I have provided some material in my written testimony. But I can tell you this...most of the money the state of Oregon and the people will spend on drugs in the future will not be on the generic drugs sold in pharmacies today. It will be in the new and fabulously expensive but marvelously effective new drugs of the future. This is the market of so called "specialty drugs" that the PBM's are trying to corner with business practices like "white-bagging".

On behalf of the Oregon Society of Health-System Pharmacists and the Oregon Pharmacy Coalition, we urge you to pass HB 2715 to allow hospitals, clinics, and physicians to use FDA approved distribution systems to obtain and administer drugs to ensure patient safety. The Oregon Association of Hospitals & Health Systems also supports this legislation as does the Coalition of State Rheumatology Organizations (CSRO).

Thank You.