

# Health Plans Strongly Oppose HB 2715

Everyone should be able to get the medications they need at a cost they can afford. But drug prices are out of control, and hardworking families feel the consequences every day. Health insurance providers are constantly fighting for patients by developing innovative solutions to make prescription drugs more affordable. One of these solutions is leveraging the use of lower-cost pharmacies – called specialty pharmacies – to safely distribute physician-administered drugs (sometimes called either “white bagging” or “brown bagging”).

AHIP urges the legislature to support competition among providers through the use of specialty pharmacies, and to reject proposals like HB 2715 that take away lower-cost choices from patients.

## **Using lower-cost specialty pharmacies saves money for patients and helps to lower premiums – making health care more affordable and accessible for everyone.**

High drug costs are especially prevalent with physician-administered drugs, where the problem of high prices is compounded by exorbitant mark-ups from hospitals and providers’ offices. An [AHIP study](#) found that the physician/hospital markup ranged from \$204 to \$19,803 for just one dose of these drugs.

Specialty pharmacies can deliver drugs directly to a physician’s office or to a patient’s home right before a patient’s appointment. This means that patients can avoid inflated costs that hospitals and physicians charge to buy and store specialty medications themselves.

## **Specialty pharmacies protect patient safety.**

Specialty pharmacies are used only for prescription drugs that may be safely delivered in this way. These lower-cost pharmacies are subject to the same “supply chain safety” requirements as any other dispensing pharmacy under the federal Drug Supply Chain Safety Act (DSCSA) and state licensing laws/regulations. Specialty pharmacies also must meet additional safety requirements for specialty drugs imposed by the Food and Drug Administration (FDA), and by drug manufacturers. They also must satisfy stringent requirements for the safe storage, handling, and dispensing of the drugs.

Many specialty pharmacies employ clinical specialists that are available 24/7 to provide additional support to patients. In some cases, these clinical specialists can directly administer these medications to patients.

## **Specialty pharmacies offer more value.**

Specialty pharmacies ease the administrative burden for providers and hospitals. With specialty pharmacies, providers and hospitals do not have to spend valuable resources to seek reimbursement for the purchase of the drug, and they are still paid for the administration of the drug. This allows health care providers to focus on practicing medicine.

## **Classifying violations as an unlawful trade practice is unnecessary and will raise costs.**

This bill would classify a violation as an unlawful trade practice, which would greatly expand litigation, disrupt Oregon’s insurance market, and lead to higher costs for consumers at a time when they can least afford it. The Department of Consumer and Business Services already has a host of compliance tools to ensure that insurers follow the law and the power to penalize if they do find violations. This provision would undermine these existing strong consumer protections.

**We strongly urge you to oppose HB 2715, which will reduce competition and take away lower-cost choices from patients.**

