



## Memorandum

To: Chair Patterson, Vice-Chair Hayden, and Members of the Senate Committee on Health Care

From: Marty Carty, Director of Government Affairs, the Oregon Primary Care Association

Date: March 27, 2023

Re: Senate Bill 608 (Support)

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The Oregon Primary Care Association (OPCA) is a non-profit organization, with a mission to support Oregon's 34 Community Health Centers (CHCs), also known as Federally Qualified Health Centers (FQHCs), in leading the transformation of primary care to achieve health equity for all. Health centers deliver integrated primary, behavioral, mental, and oral health care services to over **436,000 Oregonians**. 41% of [health center patients](#) identify as a racial or ethnic minority, 18% are uninsured, and 3% are veterans. FQHCs provide care to some of Oregon's most vulnerable populations, including **one in four Oregon Health Plan (OHP) members**. They care for all patients, regardless of insurance type, ability to pay, and citizenship. FQHCs operate more than 270 care delivery sites in Oregon's communities where their patients live and work – urban, rural, and frontier -- ensuring consistent access to treatment with trusted professionals.

We request your strong support of Senate Bill 608. This bill would build state guidance for pre-existing federal mandates regarding study and subsequent adjustment of professional dispense fees for pharmaceutical services. Specifically, the bill would:

- Establish a three-year interval for the Centers for Medicaid and Medicare Services (CMS)-mandated cost to dispense survey, commencing no later than January 2<sup>nd</sup>, 2024.
- Direct the Oregon Health Authority to adjust professional dispense fees in response to the survey.

Professional dispense fees reimburse pharmacies for the cost of professional services provided with each prescription – it is a standardized equation which sums direct costs (such as payroll) and indirect costs (such as overhead) and divides that sum by the number of prescriptions. Though CMS has directed states to conduct the cost to dispense survey, there is no federal guidance for frequency. As a result, in Oregon, there has not been a cost to dispense survey and subsequent fee adjustment since 2017, even while costs have skyrocketed. This bill would implement a three-year survey cycle, ensuring periodic updates and greater system efficiencies.

While many of our members have in-house pharmacies, inadequate professional dispense fees impact all CHCs. CHCs rely on rich networks of community-based pharmacies to support patient access to vital prescription medication. However, when professional dispense fees do not keep up with increasing costs, the viability and sustainability of these pharmacies is threatened. In rural Oregon, [many pharmacies have closed their doors](#) because they can no longer make ends meet, further exacerbating existing health inequities. CHCs [excel at management of chronic disease](#), which often requires consistent, easy access to necessary medication to ensure prescription adherence. Closure of pharmacy access points is a substantial impediment to successful primary and preventative care and, ultimately, patient well-being.

Senate Bill 608 is a simple and easily implementable solution to this problem, and we kindly request your support.