

5-3-23

Dear Chair Faley and Members of the House Committee on Rules

Following is testimony I gave in support of HB 3012, 3013 , 3015 to the Health Care committee in January.

These bills are critical to prevent a further erosion of pharmacy access and services for all Oregonians.

My name is Ann Murray and my husband John and I own Murray Drugs Inc. , a family small business serving Morrow, Gilliam and Wheeler and Sherman counties since 1959. Our stores in Heppner, Condon and Boardman Oregon serve a coverage area of approximately 3,000 square miles. There are no pharmacies in Wheeler and Sherman counties and our Boardman store delivers to the towns of Arlington, Irrigon and Umatilla that have no pharmacies.

We employ 25 people and have 2 of our 5 kids are pharmacists working in the family business.

I have been coming to testify on PBM legislation for the past 10 years, beginning with our first bill in 2013. I explained what was happening with PBM's forcing patients into pharmacies which they owned, offering take it or leave it contracts with payments below cost. I warned that it could cause pharmacies to close and create a lack of access to urgently needed pharmacy services. Unfortunately our legislation didn't have the enforcement capabilities and left unchecked these Monopolistic companies have swelled, merged and "vertically integrated " enough that the term "pharmacy deserts" is now common.

The three largest PBMS control 80% of the prescription drug market giving them the power to engage in abusive practices that limit patient access, increase consumer drug costs and threaten the viability of local pharmacies. A prime example was the Pacific Nw BIMART pharmacy chain closing this

past year due to below cost reimbursements by PBMs

As of Jan. 1 our Boardman store was unable to get a contract with one of the major PBMs for their medicare part D network. The rate offered would force us to lose on every prescription. We had to notify patients that we could no longer fill their prescriptions in Boardman. The take it or leave it rates offered by PBMS keep being slashed each year, regardless of inflation and our increasing costs. The PBM's for the Oregon Medicaid CCO's are guilty of the same tactics which is why they must be included in these bills to prevent further loss of pharmacy access for Oregon medicaid patients. The maintenance medications for those patients go through those PBM's. Several pharmacies have closed just this month. I know of ones in Dallas, and Albany and LaGrande.

How does a \$.50 professional dispensing fee per prescription sound? \$.25 ? Now it is even ZERO on many contracts. Does this sound professional for an 8 year doctorate degree for providers that give vaccinations and personal patient care? Mail order pharmacies can't give Covid shots! The US is the only country in the world to have the PBM middleman layer that drives up the cost of health care. They started in the 1980's in an effort to make claim transmission payments easier between providers and insurers.. " It was pretty interesting that I mentioned this in my 2013 testimony to this committee. I had also mentioned that in 2011 Express scripts Ceo ranked #4 on Forbes highest paid Ceo with a cool \$51.5 million in compensation. That was 11 years ago! I urge Oregon to consider how much money the medicaid programs could save without this middleman !

PBMS which you will soon hear from will say this legislation will "drive up health care costs". But the facts disprove this. From 2015-2019 based on Kaiser family foundation data, states with regulatory power over PBM's had the lowest increase in health care premium costs. States without PBM

licensing authority had an increase in health care premium costs HIGHER than the national average. States that prohibit PBM's from reimbursing PBM owned pharmacies at higher rates than non-affiliated pharmacies actually saw their premiums drop. States that protected patients from higher copays for using the pharmacies of their choice also had lower premiums than those that did not.

I will now read a letter from someone who is a true advocate for maintaining pharmacy access for patients. Someone we have worked with for 20 years on this issue, Sen Ron Wyden.

I have a letter signed by Sen. Ron Wyden to read to this committee. (Will submit to your Committee)

Sincerely,

A handwritten signature in cursive script that reads "Ann Lindsay Murray". The signature is written in black ink and has a long, horizontal flourish extending to the right.

Ann Lindsay Murray R.Ph.

Murray Drugs Inc.

Heppner, Condon, Boardman Oregon

RON WYDEN
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January 24, 2023

Representative Rob Nosse
House Committee on Behavioral Health and Health Care
900 Court Street NE
Salem, OR 97301

Dear Chair Nosse:

I write today to commend the House Committee on Behavioral Health and Health Care for your attention to the burden pharmacy benefit managers ("PBMs") impose on independent, community pharmacies.

I strongly share the Committee's concern that PBMs are limiting patient choices by unduly restricting access to non-network pharmacies. Exclusionary PBM practices have grown increasingly aggressive in recent years, often imposing extreme financial strain on independent, local pharmacies. Dozens of local pharmacies across Oregon have been forced to close due to high costs. This is part of a national trend. According to IQVIA data, over 2,200 pharmacies have closed permanently between 2017 and 2020, often in rural and underserved areas. Many communities depend on local pharmacists for care, access to medication, and delivery of other services, such as patient education, management of chronic disease, and preventative care.

As Chairman of the U.S. Senate Committee on Finance, I am deeply engaged in efforts at the federal level to provide relief to community pharmacies from these types of abuses. I am particularly concerned by astronomical growth in direct and indirect remuneration (DIR) fees, which rose 107,400 percent from 2010 to 2020. PBMs often claw back money paid to pharmacies after drugs are dispensed based on inconsistent standards. In March 2022, I urged the Centers for Medicare & Medicaid Services (CMS) to crack down on these unfair practices. In response, CMS finalized a rule requiring PBMs to pass through all pharmacy price concessions they receive to patients at the time prescriptions are dispensed. This step will help create more transparency and predictability over PBM payments to pharmacies, protecting independent pharmacies while lowering costs to patients.

Despite this progress, there is still much more work to be done at both the federal and state level to protect community pharmacies from unfair PBM practices. I plan to continue delving into this issue and advancing policy at the federal level, and look forward to learning more about the important work your Committee is doing moving forward. Thank you again for giving this issue the time and attention it deserves.

Sincerely,

Ron Wyden

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