Cigna Encourages a NO Vote on HB 3013

Mandatory Dispense Fees Increases Rx Out-of-Pocket Costs for All Oregonians

Establishing mandatory dispense fee payments to pharmacies will dramatically increase the cost of Rx drugs to Oregonians. Currently, the national average pharmacy dispensing fee is estimated to be $2 per claim. However, HB 3013 mandates a pharmacy dispensing fee of $12.00 on average, resulting in an average cost increase of $10 per claim for the exact same pharmacy services. For an employer with 100,000 prescription drug claims a year, this is an annual increase of $1,000,000 to their plan costs. A similar law was enacted last year in Tennessee and has had disastrous consequences for employers and individuals in that state with an average cost increase of $600 for a family of four. A $10 increase per prescription fill will be costly for those with chronic health conditions and multiple prescriptions. While the Tennessee bill limited the dramatic increase to independent pharmacies, HB 3013 aims to include all pharmacies, including high-volume chain pharmacies, in receiving the windfall increase from consumers.

Time to stop raising healthcare costs in Tennessee (tennessean.com): The economic impact of this short-sighted legislation will burden thousands of us here who are already paying the third-highest prescription cost per household at over $6,000 per year. Now, Tennessee families can tack on another $600 annually. Estimates predict that prescription drug price hikes will cost businesses $510 million each year. However, it won't be just the owners who tackle that increase, it will be its employees as well. There is no doubt that this strain could even cause businesses to shut down or move their good paying jobs to a neighboring state with lower health care costs.

Have your prescription prices gone up? Here's why (wkrn.com): While $10 per prescription may not seem like much, for a lower-income family who might have a few prescriptions a month or children with prescriptions, it adds up quickly in a year.

Tennesseans feel hit of prescription drug price hike - Claiborne Progress | Claiborne Progress: The roughly $10 increase per prescription filled at an independent pharmacy will raise annual premium increases for a family of four by more than $680, estimates show, on top of existing prescription copays. Providers of employer-sponsored health plans will be forced to absorb the added costs, damaging their bottom line, or pass those costs onto their employees. And consumers won't be able to determine ahead of time which pharmacies will impose the new price hike.

Requiring "Any Willing Provider" Increases Costs for Oregon Employers

These laws operate to deprive health plans and employers of their choice of pharmacy network benefit design, which they can tailor to meet the unique needs of their members and employees. Depending upon a plan's current network design, this law could increase the cost of providing pharmacy benefits by up to $110 per member, per year. For an employer with 1,000 employees this would result an annual price increase of $110,000. Allowing health plans and employers to have a selective network provides much needed incentive for pharmacies to maintain competitive prices and lower patient costs.

Regulating ERISA Plans Elicits Preemption and Creates Confusion

Language that attempts to include self-funded plans regulated by the federal Employee Retirement Income Security Act of 1974 (ERISA) could be challenged, and ultimately overturned, in federal court. ERISA plans have been historically regulated by the federal government in order to ensure plan uniformity for large employers that span multiple states. State attempts to govern self-funded ERISA plans, including HB 3013, are likely to result in conflicting or material differences in the benefit design for multi-state employers. Subjecting employers to a complex (and sometimes contradictory) web of state regulations will significantly increase the cost of providing pharmacy benefits to their employees. Additionally, the result is inconsistent with the purpose of ERISA: to enable employers to administer valuable health and retirement benefits uniformly across the country by eliminating the prohibitive costs and complications of tailoring plans to the local policy preferences of every jurisdiction in which they operate or have employees.

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