

Chair Patterson, Vice Chair Hayden and distinguished members of the committee.

- Good afternoon, my name is Madonna McGuire Smith. I am from Corvallis, OR. I am the executive director of Pacific Northwest Bleeding Disorders, a nonprofit founded in 1963 by families living with bleeding disorders in Oregon and SW Washington. And, I am the spouse of a person with a chronic bleeding disorder and the parent of four young people with severe bleeding disorders.
- I am grateful for the opportunity to speak to you today on behalf my family, or organization and the Oregon All Copays Count Coalition about HB 4113. Our coalition has nearly 40 organizations in support of this bill. As you know the bill passed out of the House with a unanimous vote.
- People with chronic illnesses, such as arthritis, asthma, cancer, diabetes, HIV, and bleeding disorders, have incredibly high medical expenses. Many of these patients rely on financial assistance to access their medicines.
- Copay assistance programs were introduced more than 15 years ago to help cover the cost of really expensive medicines – medicines you cannot get from a store front pharmacy. There are often no generics for the medicines used by patients with chronic medical conditions - medicines absolutely necessary for these people to be able to live a full life. The kinds of medicines we're talking about are so expensive that often one or two doses causes the patient to hit their out of pocket max for the year.
- Many people with chronic disease are on a fixed income, this patient assistance is the only thing keeping them on their life saving medicines. If they aren't able to afford their medicines they have to go to the ER for their care and to get their medicines covered. An ER visit is so much more expensive for the health care system. The other alternative is to stop taking their medicines which leads to long term, expensive care that is so much more expensive than just letting the patient apply their financial assistance to their out of pocket costs.
- You will hear arguments that premiums will go up if the practice is banned in Oregon. Recently, The AIDS Institute did a study that analyzed annual premium changes in states with copay accumulator adjustment bans and those without. They found no evidence that enacting a copay accumulator adjustment ban had a meaningful impact on average premiums. In fact, in many of the states the average insurance rates actually dropped after the ban was enacted.
- You may hear arguments that this financial assistance is not accepted by Medicare and Medicaid. We're talking about two completely different structures – Medicare and Medicaid either have no copays or their copays are capped. We are talking about people who are on private insurance and are trying to pay their own way but have chronic diseases that make it difficult.
- You will also hear these programs referred to as coupons. Let me see if I can explain it in a way to clarify things – coupons reduce the price of the item being purchased, financial assistance helps to cover the cost of the item they are purchasing. Let's use shopping for milk as our example: You get to the check-out counter, the milk you are trying to buy is \$3.50 and you have a 50 cent coupon that reduces the cost of the milk to \$3.00 – anyone can get those coupons, they are available to everyone. Now, lets look at a similar scenario, you get to the check out counter with a gallon of milk that costs \$3.50. You need the milk for your young family, you are struggling to make ends meet and you have \$3.00. The customer behind you offers you 50 cents of financial assistance to help you pay for the milk that your family so desperately needs.
- Financial assistance doesn't reduce the cost of the item, it simply makes it so you can afford to pay for the item. By the time someone gets to the financial assistance stage of a prescribed

medication everyone agrees it is the medicine necessary for this patient. The utilization management system has been implemented and all agree – doctor, insurance company and patient – that this is the best course of action. It is not a coupon that keeps patients on name brand drugs.

- My own family was subjected to an accumulator and rather than just collecting the \$5000 owed for our out of pocket maximum, the insurers had access to nearly \$90,000. That money doesn't belong to them and is not necessary to meet our family's insurance obligations. They actually held our prescriptions hostage twice until we agreed to sign up for the copay assistance programs so they could collect the entire sum of money available in the financial assistance program – \$30,000 – six times our out of pocket requirement for the year.
- We ask you, on behalf of the more than 2 million Oregonians impacted by a chronic condition, to please support HB 4113.
- Thank you so much for your time today. I appreciate your efforts to help Oregonians afford their medications.