



COMMUNITY ONCOLOGY ALLIANCE

Dedicated to Advocating for Community Oncology Patients and Practices

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March 6, 2025

The Honorable Deb Patterson
Senate Committee on Health Care
Oregon State Legislature
900 Court St NE
Salem, OR 97301

Re: Opposition to Senate Bill 533, Concerning Contract Pharmacies

Chair Patterson,

My name is Dr. Mark Thompson and I serve as Medical Director of Public Policy for the Community Oncology Alliance (COA). COA is the only nonprofit organization in the United States dedicated solely to independent community oncology practices, which serve the majority of Americans receiving treatment for cancer.

On behalf of COA and the twelve community oncology clinics we represent across Oregon, I am writing to express our deep concern and opposition to Senate Bill 533 which in our view seeks to expand the scope of the Federal 340B Drug Pricing Program beyond its intended purpose.

While COA and our members have supported the legislature's previous efforts to protect safety-net programs from the predatory practices of Pharmacy Benefit Managers (PBMs), SB 533 raises significant concerns for our patients and practices and, in our view, undermines the progress the legislature has already made on this subject. Specifically, we are troubled by the bill's efforts to extend 340B benefits to "contract pharmacies," entities not originally intended to benefit from this program which are predominantly affiliated with or owned by PBMs.

Originally intended to assist uninsured and underinsured patient populations, the Federal 340B program has, in practice, extended program benefits to facilities rather than underserved patients. In recent years this has created an environment that large health systems and for-profit entities have exploited, dispensing discounted drugs to insured patients at full price, and retaining the price difference as profit.ⁱ This abuse of program funds has fueled consolidation, driven higher costs for patients, and escalated overall health care spending nationwide – a trend that has hurt, not helped cancer patients, especially those treated in local community oncology settings.

A recent examination of contract pharmacies revealed that 69% are tied to PBMs either through vertical integration (53%) or contractual affiliations (16%).ⁱⁱ As you may be aware, PBMs frequently steer patients away from their preferred pharmacies and reimburse non-affiliated pharmacies at rates below the cost of acquiring medications. These predatory business practices force many physician practices to operate at a loss, threatening their stability and creating barriers to patient care.

If allowed to move forward as is, this legislation will aggravate these issues and further concentrate resources and services within for-profit entities, leading to reduced competition and options for all patients. COA and our members in Oregon respectfully urge you to oppose SB 533 and protect the diversity of Oregon's cancer care infrastructure.

For a more in-depth look at this policy issue, we invite you to review the Community Oncology Alliance's position statement on the [340B Drug Pricing Program](#). If you have any follow up questions or would like assistance on any issue involving independent community oncology practices, please contact COA director of state regulation and policy, James Lee at jlee@coacancer.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Thompson MD". The signature is fluid and cursive, with a stylized "M" and "T".

Mark Thompson, MD

Medical Director of Public Policy

Community Oncology Alliance (COA)

ⁱ <https://mycoa.communityoncology.org/education-publications/comment-letters/coa-comments-on-bipartisan-senate-340b-rfi/>

ⁱⁱ <https://avalere.com/insights/pbm-mail-order-and-specialty-pharmacy-involvement-in-340b>