



**DIANE ROSENBAUM**  
SENATE MAJORITY LEADER

**To:** Senate Committee on Health Care, Human Services & Rural Health Policy  
**From:** Senator Diane Rosenbaum  
**Date:** February 6<sup>th</sup>, 2012  
**RE:** Testimony in support of SB 1577: Oregon Prescription Drug Purchasing Program

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Chair Monnes Anderson and Members of the Committee:

Thank you for the opportunity to provide testimony in support of Senate Bill 1577.

In 2003, the Legislature authorized the formation of the Oregon Prescription Drug Program (OPDP), a prescription drug purchasing pool, to help increase access to prescription drugs by the uninsured and lower prescription drug costs for state agencies and local governments.

Participation in OPDP is optional for state agencies, and even though OPDP has been an incredibly successful program, some of the state's largest agencies do not participate in OPDP, including the Department of Corrections (DOC), the Oregon Youth Authority (OYA) and the Public Employees Benefit Board (PEBB).

In 2011, the Legislature added a note to the DOC budget requiring a comparative cost analysis of the agency's drug purchases in FY 2011 to determine if using OPDP would have saved money, it was reported that DOC switching to OPDP would save the agency as much as \$1.4 million a year based on roughly half of the DOC's drug purchases.

SB 1577 requires state agencies to participate in OPDP, this has potential for expansive savings that the state desperately needs. There is no requirement to participate if an agency can demonstrate that alternative purchasing agreements will result in greater savings. It is the state's fiduciary responsibility, especially during these challenging economic times, that every savings opportunity and tool at our disposal is used.

Chair Monnes Anderson and members of the committee, thank you again for hearing this bill and I encourage you to support SB 1577.

Thank you,

*Diane Rosenbaum*

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