

From: Steve [<mailto:steve@quizrx.com>]
Sent: Thursday, February 09, 2012 10:24 AM
To: Rep Berger
Subject: House Bill 4109 - Please oppose

Rep. Berger-

I received notification today that a bill to create a generic drug purchasing program is being considered. It appears that this bill will be considered on Friday 2/10/12. The National Community Pharmacy Association sent me a copy a their letter in opposition to this bill. I have attached a copy to this email. I read their letter and agree with their analysis.

In my practice what I currently see happening is one company wins a bid to supply their generic version of a drug to a generic contract, then they are not able to consistently supply the market with their drug. Because they won the bid, an artificially low price is set as the reimbursement standard. When that particular drug is unavailable and I am forced to purchase a more expensive alternative I am forced to either accept a reimbursement that is below my actual acquisition price or refuse filling a needed medication for a patient. This is not a very good situation.

On the surface I can understand why this bill would be attractive to the State of Oregon, but upon further scrutiny it really is a bad idea. My buying group represents more lives than are being covered by the affected Oregon programs. This contract is being administered by professionals that are skilled in this type of contract negotiation, plus the medications are being delivered to my pharmacy in a very efficient manner. I do not believe the Oregon Health Authority has the experience to successfully administer such a program.

Even with the expertise of the professionals administering my generic program, I still can find myself in an upside-down situation where I am forced to decide if I can afford to fill a needed medication for one of my patients. Yesterday, I had to make that decision. The reimbursement for the prescription I was filling was **\$75.00** less than my acquisition cost. There was no relief available from the PBM (pharmacy benefit manager). I was informed that I was contractually obligated to fill the prescription at a significant loss. The question I ask myself is, who is it that has the authority to require a for profit business to accept payment for their services that is below their hard costs? No mention is made of the costs of heat, lights, supplies, taxes, etc. This type of situation cannot continue. The real effect is that needed medications can become much more difficult for patients to obtain. My only protection to having to sell at a considerable loss is to not have the medication available in stock to fill the prescription in the first place. Not a good situation for either me or the patient.

If you wish to discuss this more, give me a call. There are many other issues attached to this idea.

Sincerely,
Steve Quisenberry, R.Ph.
Quisenberry Pharmacies