



PacificSource Health Plans

Written Testimony in Opposition to SB 163

Chair Monnes-Anderson, Vice Chair Kruse and members of the Senate Health Care Committee,

Thank you for the opportunity to share our concerns regarding SB 163. If passed, this legislation significantly limits our ability to undertake effective care management strategies for the coverage of prescription drugs in the treatment of pain. Step Therapy begins with time-tested treatments, before turning to newer and often much more expensive therapies. To illustrate the cost implications, simply consider this difference:

- Generic prescription drugs that are covered by PacificSource as part of the treatment for pain cost on average between \$5.00 - \$28.00. Conversely, the average cost of a Brand name drug for the treatment of pain is over \$200.

At a time when the healthcare system is moving toward value-based benefits and services, it works at cross-purposes to have bills that undermine the use of evidence-based medicine. As always, member health and safety is a paramount concern to us and we have options for over-riding Step Therapy protocols in the event a drug is medically contraindicated. In addition, this bill would be challenging to administer as it would limit our ability to determine when a Step Therapy protocol has been met.

SB 163 is incongruent with Oregon's healthcare transformation goals of better health, better care and promises to drive up cost, while not necessarily improving health outcomes for patients. PacificSource Health Plans urges the legislature to be thoughtful and consistent as it moves toward realizing the goals of the Triple Aim and achieving improved health for all Oregonians.

We urge you to oppose SB 163.

Thank you.

About PacificSource Health Plans

PacificSource Health Plans is an independent, not-for-profit community health plan serving the Northwest. Founded in 1933, PacificSource is based in Eugene, Oregon, with local offices throughout Oregon and in Idaho and Montana. The PacificSource family of companies employs 700 people, serves more than 300,000 individuals, and has 6,200 employer clients throughout the Northwest. PacificSource Community Solutions, Inc. is a subsidiary of PacificSource Health Plans and is the Coordinated Care Organization in Central Oregon and the Gorge. You are welcome to contact **Ken Provencher**, President and CEO, at (541) 684-5286 or (800) 624-6052, ext. 2286, or by e-mail at kprovencher@pacificsource.com, or **Marian Blankenship**, Director of Government Relations/Executive Director of the Charitable Foundation at (541) 684-5221, or by e-mail at mblankenship@pacificsource.com.

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