

March 5, 2013

The Honorable Laurie Monnes Anderson  
Chair, Senate Health Care and Human Services Committee  
900 Court Street, NE S-413  
Salem, OR 97301

RE: Senate Bill (SB) 402, MAC pricing

Dear Senator Monnes Anderson and members of the committee:

The Pharmaceutical Care Management Association (PCMA) is to **urge you to vote NO on SB 402**. PCMA is the national association representing America's pharmacy benefit managers (PBMs), which administer prescription drug plans for more than 210 million Americans with health coverage provided through Fortune 500 employers, health insurance plans, labor unions and Medicare Part D.

SB 402 addresses MAC (Maximum Allowable Cost) pricing, which is used in every state in the country and incentivizes pharmacies to be prudent of generics by encouraging them to purchase the lowest-cost version of a generic drug. MAC pricing is a tool that ensures employers and their employees get the most competitive, market-based price. Therefore, PCMA is opposed to this legislation and we urge you to vote against this measure for the following reasons:

- SB 402 interferes in private contracting and provides for additional government regulation.
- SB 402 requires disclosure of proprietary information that is used as a mechanism to keep drug costs in line with market forces. This will create an anti-competitive marketplace which could result in increased costs.
- Nothing in this legislation benefits the consumer or patient or provides additional access to care.
- Mandated retro-billing provisions create administrative burdens that employers will be forced to absorb in an already uncertain health care environment.

In short, reimbursement of generic drugs is an extremely complicated process that deserves a complete and thorough review. Such significant changes in policy and in business models are not decisions that should be taken lightly and require significant discussion and support from PBMs, neither of which SB 402 has. This bill does not serve the citizens of Oregon and may increase costs for employers throughout our state. We urge your NO vote and your thoughtful consideration of the many negative implications of this bill.

**Please vote NO on SB 402.**

I'd be happy to provide you additional information. Thank you for your consideration.

Sincerely,



Kelsey Wilson

Gallatin Public Affairs, representing PCMA