

Statement of Sean Karbowicz, Director, Clinical Evaluation and Policy, RegenceRx
Hearing on HB 402: Pharmacy Benefit Management Legislation
Senate Committee on Healthcare and Human Services
March 5, 2013

Chair Monnes Anderson and Members of the Committee:

My name is Sean Karbowicz. I am appearing on behalf of RegenceRx to provide testimony in opposition to Senate Bill 402.

RegenceRx is a pharmacy benefit management (PBM) program that serves Regence BlueCross BlueShield, the not-for-profit Oregon health plan. Regence Rx performs evidence-based assessments of medications and provides educational tools for our members and our doctors. Through our vendor partners, we contract with pharmacies and provide prescription claims processing.

We currently provide over 300,000 Oregon residents with a pharmacy benefit.

One of the greatest challenges we face is ensuring that the state's residents have access to high-quality, affordable health care. At RegenceRx, we believe that making quality care more affordable is a shared responsibility. For the following reasons I urge you to VOTE NO on Senate Bill 402.

S.B. 402 will adversely impact any plan that uses a pharmacy benefit manager (PBM) to manage their drug costs or any company that manages a drug benefit. This includes the state prescription drug plan, all employer plans, union plans, workers' compensation plans, and third party administrators.

- MAC Pricing is used in every state in the country and incentivizes pharmacies to be judicious when purchasing generics.
- MAC Pricing is a tool that ensures that the employers we serve and their employees (our members) get the most competitive, market-based price available. S.B. 402 benefits pharmacies and not the consumer or the patient.
- Senate Bill 402 allows pharmacies to buy drugs at discounted, generic competitive prices yet be reimbursed at significantly higher rates. Senate Bill 402 increases prices for other drugs by removing them from MAC pricing and moving them back to brand-like pricing, even though there are older, deeply discounted drugs in the marketplace.
- This means plan sponsors will pay more for drugs and consumers may pay higher copays and premiums, while pharmacies bank the cost savings associated with generic competition in the marketplace.

This bill will make it more expensive to manage the cost of generic drugs. On behalf of the members we serve, I urge you to vote no on Senate Bill 402.

Thank you for the opportunity to appear before the Committee.