

From the Desk of
Representative Greg Smith



Chair Monnes Anderson and members of the Health Care and Human Services Committee:

Re: SB 363 (We are unable to attend this hearing today but hope to leave you with details of how forced mail order by PBM's affect the viability or rural Oregon pharmacies).

Our names are John and Ann Murray and we are pharmacists from Heppner, Oregon. Our family owns Murray's Drug Inc. with stores in Heppner, Condon and Prairie City. It is a family business serving Eastern Oregon since 1959 with 3 generations of pharmacists, 5 licensed pharmacists, one graduating this year and one intern in the program. We serve south Morrow, East Grant and all of Gilliam and Wheeler counties as the only local pharmacy provider. This equates to over 5,000 square miles of rural Eastern Oregon, involving a population of about 15,000. We are passionate about quality services, know how to provide them and have been doing so for over 50 years. Ann recently spent last summer and fall serving on a work group on PBM issues leading to HB 2123.

We are providing testimony for SB 363 and SB 402, both dealing with PBM practices that put the viability of all pharmacies at risk. The emergence of PBM's a couple of decades ago has added a very expensive layer of bureaucracy, which is only found in the United States. Forbes. Com lists Express Scripts CEO as #6 on the top 100 list of highest paid CEO's in 2012 with \$51.5 million. Besides take it or leave it contracts and below cost reimbursements (addressed by SB 402) one practice that is both unfair to pharmacy providers but most importantly patients, is the practice of forced mail order for prescriptions, with PBM's directing their clients to their OWN , PBM OWNED mail order pharmacies.

We have a large elderly population that gets upset when we say " we can't fill your prescription because your PBM says you have to use their mail order pharmacy". Others ask us " how can you stay in business when they tell us if we use mail order we can get a 90 day supply for the same co-pay as a 30 day supply limit imposed on those using a retail pharmacy" They say they want to use our pharmacy as they value having a pharmacy in our small town but more importantly they value face to face personal care. "What if we need an antibiotic

or a nausea medication and we don't have a store here? Customers appreciate our presence in the community and we are proud to be here. We have a payroll of 20 people between full and part time, which may not seem like a lot in urban areas, but in our hard-hit economy it is important. To make our payroll and pay our state taxes we cannot operate at a loss.

PBM's own their own pharmacies then direct that the patients must use those pharmacies or they make it the same co-pay to get a 90 day supply from mail order while only allowing a 30 day supply from a retail pharmacy for the same price. These closed-environment assembly lines don't deliver to patients the benefits of a traditional pharmacy. Face to face consultation between a pharmacist and a patient is the most effective type of intervention to ensure that patients adhere to their medication regimen safely and effectively.

Often patients come in saying " I haven't received my medication in the mail yet" and "can you help me". We call the PBM for them seeing if we can help and are told " it was mailed out a week ago" .Can these PBM's, often on the East Coast even comprehend that many of our rural customers receive their mail delivery only 3 days per week here? If the patients go without medication and end up in the hospital, how cost effective is that?

PBM's will claim that giving 90 day supplies from THEIR pharmacies will save the insurers money. There is no transparency to show this. They don't have to disclose what they paid their own pharmacies which could be a different contract rate than those offered to retail pharmacies. The waste we see of mail order drugs that people bring to us to show how their medication was changed but the mail order pharmacy kept sending them 90 day supplies is outrageous. Check out NCPA's "waste not-want not" documentation. PBM's also have received billions of dollars from manufacturers to put their brand name drugs on their formularies and to increase brand name market share. This conflict of interest doesn't encourage the use of lower cost generics by their mail order pharmacies.

SB 363 is needed if Oregon wants to preserve the health care delivery system which is especially fragile in rural areas. Once PBM's have driven local pharmacies out of business by taking away patients and forcing them to use the pharmacy

THEY own, you could be left with counties in Oregon without access to antibiotics or time sensitive medications. Please support SB 363 to preserve quality pharmacy services. Keeping health care dollars in Oregon benefits Oregonians.

Sincerely,



John and Ann Murray

