



Mr. Chairman and Members of the Committee:

My name is Marc Watt. I have been a pharmacist in Oregon for more than 35 years, most of that time in retail pharmacy. Also, I was a member of the Oregon Board of Pharmacy from 2000 to 2008, and served two terms as the Board's President. I am here today representing Walgreens which has nearly 70 stores across the state and employs nearly 1,800 Oregonians.

I respectfully ask for your support of the proposed amendment to the HB 2123.

Pharmacy benefit managers, or PBMs, play an integral role in our health care system. And similar to most industries, reasonable standards and oversight of PBMs is necessary.

Mr. Chairman, as you know PBMs negotiate and manage prescription drug benefits on behalf of health plans and essentially serve as a middle man between the health plans and pharmacies, such as Walgreens. Nationally, PBMs manage over \$90 billion in drug spending each year, and they do so with little oversight at the federal level or here in Oregon.

The amendment requires PBMs to register with the Oregon Board of Pharmacy, and create reasonable PBM audit practices.

Registration of PBMs at the Board of Pharmacy simply institutes a structure for oversight of the industry in the state. The State or Oregon regulates most, if not all, industries in the state, and justifiably so. Pharmacy benefit managers should also have some reasonable level of oversight in the state.

We agree pharmacy audits are a necessary part of business between pharmacies and PBMs. As of today, nearly half of all states have adopted pharmacy audit protection measures. The amendment institutes reasonable audit processes and timeframes related to PBM audits of pharmacies.

Specifically, the amendment would prohibit PBMs from recouping costs related to clerical errors, and establishes timeframes in which PBMs must notify and audit pharmacies. These are sensible standards that are necessary in order for pharmacies to plan appropriately for audits and maintain business operations without undue interruption and costs.

Mr. Chairman and Members of the Committee, the provisions in the amendment will ultimately benefit all Oregonians who receive quality pharmacy care from Walgreens and its partners that provide healthcare.

Thank you for allowing me to testify today. I respectfully ask for your support of HB 2123 with the amendment.