



March 16, 2015

The Honorable Mitch Greenlick
Chair, House Committee on Health Care
State Capitol
Salem, Oregon 97301

RE: House Bill 2951, pharmaceutical co-pay limits

Dear Representative Greenlick and members of the committee:

Providence Health Plan manages pharmacy benefits and collaborates extensively with the care providers of more than 400,000 individuals. Our goal across all populations we serve is to provide dependable access to affordable and effective medications. House Bill 2951 significantly impedes that goal because it removes all pricing accountability from pharmaceutical manufacturers and places the burden of unchecked drug costs solely on patients and health plans.

We encourage the committee to oppose House Bill 2951 and consider policies that encourage participation from pharmaceutical manufactures in Oregon's health care transformation efforts. As proposed, this bill simply moves us away from increased affordability and accountability in health care by:

- Removing any need for pharmaceutical manufacturers to rationally price their products. This legislation will further disguise the cost of drugs from consumers and policy makers by rolling that expense into health plan premiums.
- Eliminating any co-pay assistance currently offered by pharmaceutical companies. Some pharmaceutical companies offer people with high co-pays some level of assistance; a reflection of the fact that many drug prices are neither affordable nor tied to the actual cost of the product. Eighty five percent of PHP's members who utilize specialty pharmacy drugs receive some form of such co-pay assistance. If this bill passes, pharmaceutical companies will succeed in jettisoning the one manner in which they alleviate the extraordinary costs of their drugs to consumers.

House Bill 2951 may also be incompatible with Internal Revenue Service regulations regarding health savings accounts by requiring insurance coverage ahead of the deductible. We encourage the committee to explore this issue before making a decision that may limit Oregonians' ability to manage health care expenses through the use of these accounts.

Pharmacy costs are currently trending at 13 percent annual increases, erasing gains from other transformation efforts. This bill will make that problem worse. Providence is willing to explore options to make drugs more affordable and less of a cost burden to the household budgets of Oregonians. However, HB 2951 is designed to bolster pharmaceutical company profits, not alleviate the true burden of drug costs to consumers.

Thank you for the opportunity to comment on House Bill 2951.

Sincerely,

A handwritten signature in black ink, appearing to read 'BG', written in a cursive style.

Bob Gluckman, M.D., FACP
Chief Medical Officer
Providence Health Plan