

March 16, 2015

Representative Mitch Greenlick, Chair  
House Committee on Health Care  
Oregon Legislative Assembly

Re: HB 3486

Chair Greenlick and Members of the Committee:

OSPIRG supports HB 3486. This legislation will provide Oregon consumers, other health care purchasers and policymakers with valuable information about the rising cost of prescription drugs. Done right, this information could inform drug purchasing decisions and pharmacy benefit designs to help consumers achieve greater value for their dollar. It could also help create a baseline of accountability for drug manufacturers to keep drug prices reasonable.

The high cost of prescription drugs has been a perennial concern for Oregon consumers. A new crop of life-changing but extraordinarily expensive specialty drugs that have come on the market in the past year has brought new urgency to the issue. Rising prescription drug costs are a burden on all Oregonians—not just the patients who depend upon expensive specialty drugs—through rising health insurance premiums, rising costs for Oregon businesses and a growing burden on state and federal budgets.

OSPIRG has long supported stronger action from state and federal policymakers to address the root causes of rising prescription drug costs. HB 3486 will not, by itself, directly address the sources of rising costs for consumers and other payers, and we would urge the Committee to consider options for stronger action. However, HB 3486 will be an important step forward for transparency and accountability.

Through OSPIRG's involvement with Oregon's health insurance rate review program, we have seen the profound impact of transparency and public accountability on health insurance rates for Oregon families and small businesses. We estimate that Oregon's rate review process has helped cut over \$179 million in waste and unjustified costs from health insurance premiums since 2010.<sup>1</sup> In the face of this scrutiny, Oregon's health insurance market has not only remained one of the most competitive in the nation, it has become more competitive.

Oregon's rate review program shows that accountability and transparency work to bring down costs. HB 3486 is an important step toward applying those lessons to the market for prescription drugs.

To ensure that HB 3486 lives up to its potential, it will be important to ensure that the information it requires of prescription drug companies is made available to the public in a meaningful, actionable format. We would encourage the Committee to urge the Oregon Health Authority to engage consumers in the design of the public website outlined in Section 1 (6), and to consider the example and the lessons

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<sup>1</sup> See our [in-depth report](#) on the issue from 2013, as well as our follow-up reports from [2014](#) and [2015](#).

learned from the Department of Consumer and Business Services' health insurance rate review website, [www.oregonhealthrates.org](http://www.oregonhealthrates.org), widely considered the best and most user-friendly rate review website in the country.

Oregon consumers are counting on you to stand up for them. Rising prescription drug costs are putting a squeeze on budgets at all levels, and action is urgently needed. HB 3486 is a small but important step in the right direction, and we urge your support.

Thank you for your consideration.

Jesse Ellis O'Brien  
OSPIRG Health Care Advocate