



April 3, 2015

The Honorable Mitch Greenlick
Chair - House Committee on Health Care
900 Court Street NE
Salem, Oregon 97301

Re: Opposition to House Bill 3178 – PBM Regulation

Dear Chairman Greenlick:

Helios is one of the leading providers of pharmacy benefit services and ancillary care exclusively for the workers' compensation marketplace. We manage care for injured workers' in all 50 states, partner with all of the large chain pharmacies and over 95% of the independent pharmacies in the country. Our presence in the marketplace makes it easier for pharmacies to provide care to injured workers because we handle all of the administrative tasks of verifying coverage and processing the claim paperwork and we remove the financial risk for the workers' compensation claim from the pharmacy. We are uniquely situated in a position to serve both the employer and the pharmacy and our stated mission is to provide the right care at the right time to an injured worker to aid in their recovery and return to work in the most cost-efficient manner possible.

We appreciate the opportunity to voice our concerns and opposition to HB 3178. We have two primary concerns:

1. As a PBM working exclusively in the workers' compensation marketplace, we are already regulated from an operational standpoint and from a pricing standpoint by the Oregon Workers' Compensation Division. The Division has an established fee schedule and reimbursement rules that we are obligated to follow and also has an established fee dispute process for pharmacies to use if they feel that we have not followed the rules or honored the terms of our contract. HB 3178, or similar legislation, would create a parallel and possibly conflicting fee dispute process that could put us in an impossible situation of violating one set of regulations in order to comply with another.
2. The provisions of HB 3178 requiring disclosure of pricing methodology delve into extremely proprietary business information that is foundational in our how we compete for business in the marketplace. Forced disclosure of such information will allow all competitors to essentially "peek under the covers" and would ultimately have a chilling effect on competition, fuel inflation in generic drug pricing and add unnecessary costs to the Oregon workers' compensation system.

For these reasons we are opposed to HB 3178.

We believe that our presence in the workers' compensation marketplace has a positive impact for pharmacies, employers and injured workers alike. We work closely with the Oregon Workers' Compensation Division and participate frequently in working groups established to develop rules and generate ideas for improving the system. We believe the oversight we receive from the Division is adequate and we believe the protections in place for pharmacy providers in the Division rules are more than sufficient to protect their financial interests should our business practices ever run afoul of the established rules. Additionally, cost savings and system enhancement come when there is a robust competitive marketplace and the various competitors are challenged to innovate and find new and better ways to deliver care and improve outcomes. Mandated regulation in the form of HB 3178 will have the unintended consequences of inhibiting competition and increasing workers' compensation costs for Oregon employers.

Thank you for your consideration of our comments. Please feel free to contact me if you have any questions. I can be reached at 801-230-8379 or via email at Brian.Allen@helioscomp.com.

Sincerely,

A handwritten signature in black ink that reads "Brian Allen".

Brian Allen
Vice President Government Affairs

cc: Members of the House Committee on Health Care