SB-631

5/4/15

Good afternoon Chair Monnes-Anderson and committee members for the record my name is Mike Sullivan. I am the Oregon Political Director for the Association of Western Pulp and Paper Workers commonly known as AWPPW.

AWPPW totally supports SB-631. Health care is rising beyond the incomes of the poor and many working class families. Of course our members have healths insurance now but it isn't what it used to be and it is getting more expensive.

The United States had entered into horrible trade agreements and the latest one is no gem either. One provision that we know of in the TPP trade agreement being argued in the US Congress now is what is termed "ever greening" of drugs which means that there will never be generic drugs again.

I will end on a personal note. I have had four surgeries in the last ten months with three in six days. I feel the pain today from all of that but I also feel the pain of knowing that if my wife and I didn't have health care insurance we would be homeless now and looking for help from the government.

For me health care is a human right and should be treated as such, please pass out SB-631 with a "do pass", thank you for your time

Mike Sullivan

Oregon Political Director

AWPPW

msullivan@awppw.org

971-237-3125

Statesman 3-29-15

PRESCRIPTION DRUG PINCH

Price increases from 2011 to 2014

	CELEBREX	LUNESTA	LYRICA	REBIF	PATANOL	MULTAQ	INTUNIV	LANTUS	EPIPENS	DOXYCYCLINE
Increase	60%	63%	67%	68%	74%	80%	100%	114%	121%	300%
DOSE	1 capsule	1 tablet	1 capsule	1 syringe	5 ml bottle	1 tablet	1 tablet	1 ml	2 syringes	1 tablet
USE	Arthritis	Insomnia	Fibromyagia	MS	Allergies	Irregular heart rhythm	ADHD	Diabetes	Anaphylaxis	Infections and acne
MAKER	Pfizer	Sunovion	Pfizer	EMD Serono /Pfizer	Alcon	Sanofi	Shire	Sanofi -Aventis	Mylan	Generic
2011	$5	$8	$3	$308	$131	$5	$6	$14	$109	$1
2014	$8	$13	$5	$518	$228	$9	$12	$30	$241	$4

Rapidly rising drug prices stump insurers, lawmakers

By Saerom Yoo
Statesman Journal

Sarah Truman pays more than $3,000 per month out of pocket for the medications that alleviate her psoriasis and psoriatic arthritis symptoms enough to allow her to work and live a normal life.

Jim Huls is a multiple myeloma patient who has maxed out two credit cards and lost his home to the bank while trying to balance his medical and pharmaceutical bills.

Both are Oregonians who are appealing to state lawmakers to do something about the rising costs of prescription drugs.

Drug prices have been going up for a long time. However, in 2014 drug spending rose 13.1 percent — the largest annual increase since 2003, according to a report by Express Scripts. Specialty drugs, such as those taken by Truman, largely drove the increases.

Last year, the U.S. Food and Drug Administration approved Harvoni, a $1,125-per-tablet drug for hepatitis C patients. An estimated 3 million Americans have hepatitis C, according to Express Scripts. It is drug prices such as Harvoni's that have policymakers, patients and health plans on alert.

According to the Express Scripts report, specialty medications accounted for 1 percent of U.S. prescriptions but 31.8 percent of 2014 drug spending.

"We have a big problem," said Rep. Mitch Greenlick, D-Portland, chairman of the House

See **PRESCRIPTION, Page 4A**

Prescription

Continued from Page 1A

health care committee. "I'm not sure yet what to do with it."

Greenlick added that he was contacted by a constituent who has two children with hemophilia. Their drugs cost $10,000 per month.

"We can't keep doing things the way we're doing it," he said. "I'm going to look for ways to help the problem."

The health care committee is looking at several bills aimed at prescription drug pricing, but it's unclear whether any change can be made this legislative session.

» One bill would allow pharmacists to replace biologics with biosimilar products, as approved by the FDA.

» Another would cap Oregonians' prescription drug copay at $100 per 30-day supply.

» A third bill would require manufacturers of drugs or treatments that cost $10,000 or more to report annually to the Oregon Health Authority in a public filing the costs associated with the drug.

Each bill has prompted divisive debate in committee public hearings.

While substituting biologics, which proponents say would work like generics, could help save costs, patients say they could react dramatically differently to biosimilar drugs. Biologic drugs are products that use natural sources — proteins, cells, tissues or a combination — created for some of the most difficult-to-treat diseases.

The copay cap would help patients with complex and hard-to-treat diseases stay financially afloat, but insurance companies argued it would do nothing to solve the underlying problem of drug companies' jacking up prices.

Payers liked the idea of requiring manufacturers of high-cost drugs to be transparent about their prices, but those in the industry said they would stop selling their products in Oregon if such a bill became law.

Greenlick plans to convene a work group to find a solution. He said he wants more ideas to consider in the next legislative session, though he might try to pass at least one of the three bills.

Gary Claxton, vice president of Kaiser Family Foundation, said drug prices are a complicated issue to legislate.

> *We can't keep doing things the way we're doing it. I'm going to look for ways to help the problem."*
>
> **MITCH GREENLICK**
> State representative, D-Portland

The nonpartisan foundation focuses on national health issues.

Once a new drug is discovered, Claxton said, it is patented for a number of years, during which it has no competitors. In addition, the actual costs of drugs are hard to know because they negotiate discounts with insurers and pharmacies.

While drug companies say they need to recoup the research and development expenses of bringing innovative drugs to market, Claxton said, that's not the whole story.

"If they stumbled over a drug that was very beneficial that they can patent, for which they had no research and development costs ... they'd still charge as much as they could for it because that's what people do," he said.

Insurance plans cover drugs in a tiered system, which encourages patients to use generics in order to shoulder the least amount of cost-sharing. Some insurers put the expensive specialty drugs in the highest cost-sharing tier, a practice that is concerning, Claxton said.

"Because those are drugs that are medically necessary and they don't have a competitor," he said.

Claxton said insurance companies have the greatest leverage and motivation to help bring down drug costs, but often, they're not effective.

"There's no back-up mechanism if they're not good at it," he said.

Tom Holt, a lobbyist with Cambia Health Solutions, said prices of even commonly prescribed, non-specialty drugs are increasing, sometimes for unexplained reasons.

When generic versions of a drug can be introduced to the market, prices would go down due to competition. But sometimes, a generic manufacturer might not be happy with the profit and would stop producing the drug, increasing prices again.

Insurers could use their preferred tier benefit as a bargaining chip to encourage drug companies to decrease prices. But when there's no competition, even insurers negotiating on behalf of large groups of patients have little leverage, he said.

Holt said Cambia Health Solutions, the parent company of Regence, supports transparency and allowing biosimilar substitutes.

The scrutiny that comes with transparency alone could encourage the industry to charge reasonable prices, Holt said.

Jesse O'Brien, health care advocate with OSPIRG, testified in favor of requiring high-cost drug manufacturers to disclose pricing information, saying the Oregon Insurance Division's public rate review process has saved Oregonians more than $179 million in health insurance premium costs in 2010.

Claxton said that for drugs that don't have competition, the only way to bring down costs is to regulate them.

But with Oregon being only a small part of the U.S. market, state lawmakers might have few effective options.

syoo@StatesmanJournal.com, (503) 399-6673 or follow at Twitter.com/syoo.