

February 23, 2017  
Senator Laurie Monnes Anderson, Chair  
Senate Committee on Health Care  
Oregon State Legislature

Re: SB 272

Chair Monnes Anderson and Members of the Committee:

OSPIRG supports SB 272. This legislation will enable consumers to better navigate their health plan's prescription drug benefit, to be more empowered and informed shoppers for health coverage, and provide peace of mind that the pharmacy benefits purchased at enrollment will not be revoked mid-year.

Consumers expect that when they enter into an agreement to pay a premium to a health insurance company, that agreement goes both ways, and they can count on access to the benefits they purchased. Yet when insurers drop coverage or increase out-of-pocket costs for specific drugs mid-year, Oregon consumers currently have little recourse. If these changes happen outside the annual open enrollment period, consumers may not even be able to switch coverage to ensure their drugs are covered, and may be forced to pay the entire cost out-of-pocket or go without needed medicine. While such mid-year changes do not necessarily affect a large number of Oregon consumers each year, no-one in Oregon should be vulnerable to losing access to the drugs they need when they have paid premiums with the reasonable expectation that those medications will be covered by their health plan.

OSPIRG also supports amendments that we understand are in the works to clarify that this legislation will not block insurers from adding new drugs to formularies mid-year, and to enable insurers to raise out-of-pocket costs for a brand name drug when a generic equivalent becomes available. These amendments will provide needed flexibility for insurers to respond to changing conditions and contain costs by appropriately encouraging the use of generic medications.

In the coming weeks, the Legislature will be considering a range of policy options to contain prescription drug costs and increase transparency and accountability for prescription drug manufacturers. OSPIRG urges this Committee to make prescription drug costs a top priority this Legislative Session, because Oregon consumers are deeply concerned about the rising costs of medications. But while drug costs are a highly controversial subject, SB 272 should not be. This legislation is a modest, common-sense consumer protection measure, and we urge your support.

Thank you for your consideration.

Jesse Ellis O'Brien, OSPIRG Policy Director