



March 3, 2017

To: House Committee on Health Care

From: Health Care for All Oregon

RE: Support of HB 2387

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Dear Chair Greenlick, Co-Chairs, and Members of the Committee,

Health Care for All Oregon (HCAO) supports HB 2387's comprehensive approach towards addressing our drug cost crisis in Oregon.

Health Care for All Oregon is a statewide coalition of 120 organizations and nearly 20,000 health care advocates dedicated to the creation of universal, publicly funded healthcare in Oregon. Until we reach that ideal, we support efforts to increase access, reduce cost and improve the efficacy of healthcare in Oregon.

Prescription drug prices are one of the fastest growing cost drivers of the health care in both Oregon and the nation. Patients are paying more at the pharmacy, consumers have higher insurance premiums because insurers are paying more, employers have to cut benefits and state budgets are suffering.

In Oregon, we have been changing portions of our health care system for better health and better care, with some attempts to control costs. As part of that, we are keeping Oregon Health plan per member rate of growth to 3.4% a year. But the high price of prescription drugs is threatening every health care budget in the state--public and private. Regardless of what changes occur at the federal level, Oregon as a state must do what it can to get a handle on this now. Unaffordable and unpredictable prescription drug prices affect everyone.

While HCAO is pushing for more fundamental changes in the financing of health care in Oregon, especially in getting all Oregonians in a single risk pool with the same comprehensive benefits for all, we support efforts to help people afford health care within in the current system, because it will take some time to move to a better system. HB 2387 is part of the effort to help with costs now.

Because of rapidly rising drug prices, children and adults covered by the Oregon Health Plan and its Coordinated Care Organization (CCO) partners will face benefit reductions as the state scrambles to pay the big bills from the pharmaceutical industry. Brand name drug prices have grown five times faster than the 3.4% annual growth for Medicaid. Specialty drugs have increased even more.

PEBB and OEPP's pharmaceutical costs are outstripping medical inflation for health care benefits for teachers, firefighters and other public employees. Pharmaceutical costs for PEBB have grown 34% over the last two years.

You have likely heard the headlines about EpiPens increasing 500% and insulin increasing 300%, making insulin prices higher in the US than in other countries, with no justification or rationale for these explosive price increases.

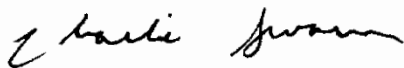
These examples are not anomalies. Between 2008 and 2015, there was a 1000% increase for more than 400 generic drugs. And over the past two years, there has been a 53% increase in brand name prescription drug prices for the Oregon Health Plan

Recognizing that most of the drivers of high cost drugs are due to federal rules and laws and thus beyond the control of the state, Health Care for All Oregon appreciates the relatively comprehensive approach of HB 2387 to address high drug prices. This is an approach that will give immediate and real protection to consumers from steep and sudden price increases, bring transparency to drug pricing, and give payers more predictability and sustainability without sacrificing access. We need all three of these elements in order do what can be done at the state level to bring down the price of prescription drugs.

Oregonians cannot wait. We need a comprehensive approach that lowers out of pocket costs now, shines the light on drug prices so we know what is going on, and reduces profit-driven price gouging.

Thanks for your time and consideration in this matter.

Respectfully,



Charlie Swanson
Legislative Committee Chair
Health Care for All Oregon-Action



Jim Robison
President
Health Care for All Oregon-Action



Benjamin Gerritz
Vice-President
Health Care for All Oregon



Lee Mercer
President
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