



February 6, 2017

The Honorable Peter Courtney  
900 Court St. NE, S-201  
Salem, Oregon 97301

The Honorable Tina Kotek  
900 Court St. NE, Rm. 269  
Salem, Oregon 97301

Dear President Courtney and Speaker Kotek:

As a proud member of Oregon's medical research community, I know firsthand the tremendous value of prescription drugs and treatments in improving patient outcomes and strengthening the healthcare system. I have advanced training in treating all cancers of the female reproductive organs. My research interest in how ovarian cancer develops in the body's cells has given me a deep understanding of this disease and I continue to work with other OHSU doctors and scientists on applying the latest scientific discoveries to patient care.

I fully understand the real challenges our health care system faces to keep costs down – and the complex factors that actually contribute to these costs. However, I firmly believe that legislation attempting to control cost cannot come at the expense of future research and innovation. That's why I'm urging you to oppose HB 2387 which could end up limiting patient access to prescribed medicines distorting market dynamics under the guise of so-called "transparency." This bill does nothing to address the very real issues around value and overall healthcare costs and could harm the development of lifesaving new treatments.

The gains to individual patients and society from new treatments are immense, and are simply not captured in the narrow focus on individual data points contemplated by this bill. Not only do these drugs bring new hope to sufferers of deadly diseases, but they reduce costs across the health care system by reducing hospitalizations, surgeries, and doctor visits. Take chronic myeloid leukemia, a form of cancer. New treatments have increased the ten-year survival rate for

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CML from less than 20% to more than 80%— while at the same time generating more than \$140 billion in societal benefits.<sup>1</sup> Even with this significant potential to positively impact health outcomes, an Altarum study projects that drug costs are likely to remain at approximately 13% of total health care spending for the next decade.<sup>2</sup>

The requirements HB 2387 puts forward misunderstands the factors—and stakeholders—that contribute to prescription drug costs. Numerous factors are at play, including robust negotiations between manufacturers, payers, and pharmacy benefit managers (PBMs). Moreover, many manufacturers give away tens of millions of dollars-worth of medicines each year through patient assistance programs. Yet the bill being considered does not capture this complexity, or consider the out-of-pocket costs that are of most interest to patients; costs that are determined by the insurance plan rather than the manufacturer.

Instead, HB 2387 would place onerous reporting burdens on manufacturers and seek information which often simply doesn't exist, since early drug development is a nonlinear process in which researchers investigate thousands of molecules, many of which lead nowhere. Because they will be forced to devote substantial time and resources to complying with such onerous requirements, small biotech companies in particular may have to divert precious resources *away from* research and development activities to comply with these reporting requirements. Since these developers are the innovative industry's engine, this could mean delays in getting better treatments—and cures—to patients.

We all should work together to find solutions for high health care costs, but those solutions should be smart, effective, and facilitate—not hamper—the development of innovative new treatments. HB 2387 will satisfy none of these tests, and should be rejected.

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<sup>1</sup> Yin, W., *et. al.* 2012. Value of Survival Gains in Chronic Myeloid Leukemia. *American Journal of Managed Care* 18:S257-S264.

<sup>2</sup> Altarum Institute, 2014/2015, Center for Sustainable Health Spending Data Brief: A Ten Year Projection of the Prescription Drug Share of National Health Expenditures Including Non- Retail, Exhibit 5, p. 6, available at: [http://altarum.org/sites/default/files/uploaded-publication-files/Non-Retail%20Rx%20Forecast%20Data%20Brief\\_with%20Addendum.pdf](http://altarum.org/sites/default/files/uploaded-publication-files/Non-Retail%20Rx%20Forecast%20Data%20Brief_with%20Addendum.pdf) (last accessed January 19, 2017).

Sincerely,

A handwritten signature in cursive script that reads "Tanya Payne". The signature is written in black ink and is positioned below the word "Sincerely,".

cc: The Honorable Ginny Burdick  
The Honorable Jennifer Williamson  
Senate Committee on Health Care Members  
House Committee on Health Care Members