



March 3, 2017

The Honorable Mitch Greenlick  
Chair, House Health Care Committee  
State Capitol  
Salem, Oregon 97301

RE: House Bill 2387 – Comprehensive high-cost drug solution

Dear Representative Greenlick and members of the committee:

Providence Health & Services appreciates the Committee's dedication to the process of developing a comprehensive policy solution to manage pharmaceutical drug prices in Oregon. Throughout this process, Providence has remained focused on identifying opportunities to create stability and transparency in the market for consumers, without increasing the overall cost of care.

Oregon can no longer look at this complex issue and assume we can fix it by addressing only insurance, only consumer behavior or only manufacturer price. We must have a comprehensive solution that increases transparency, ensures fair pricing and helps consumers access drugs more predictably and affordably. While we've explored standalone policy solutions like cap-the-copay and changes to drug formularies that limit financial liability on consumers, House Bill 2387 is a sustainable solution that requires shared accountability by manufacturers and insurers.

A legislative drug pricing workgroup, which included representation from drug manufacturers, health insurers, clinicians, pharmacists and consumer advocates met for nine months over the interim. This group explored a broad range of ideas and worked to develop a comprehensive solution that: reduces the cost of pharmaceuticals for consumers, doesn't increase premium rates and slows down the increasing cost of drugs. House Bill 2387, with amendments, is such a solution:

- Lower consumer costs: Limits amount paid per dispense of a drug and outlines payer requirements to inform consumers about changes to drug formulary.
- Requires manufacturer transparency: Outlines reporting requirements regarding costs and price, in addition to notifications when a price increases more than 3.4% in 12-month period.
- Holds pharmaceutical industry accountable: Prices that exceed a fair rate must be reimbursed to insurers.

Providence strongly encourages the Committee to join us in support of House Bill 2387, a comprehensive solution that brings local control and public accountability to the issue of high-cost drugs.

Sincerely,

A handwritten signature in black ink that reads "Jacob Thompson".

Jacob Thompson, Pharm.D., MS  
Regional Director, Pharmacy Operations and Compliance  
Providence Health & Services - Oregon