March 27, 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 respiratory therapist and facilitator of a support group for people with chronic lung disease, I know firsthand the tremendous value of prescription drugs and treatments in improving patient outcomes and strengthening the healthcare system. I also know the real challenges our health care system faces to keep costs down – and the complex factors that actually contribute to these costs. That's why I'm urging you to oppose HB 2387 which would 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 HB 2387. 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.

The requirements HB 2387 puts forward misunderstand 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 places 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 does none of this, and should be rejected.

Sincerely,

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