

House Health Care Committee
Statement in support of HB 2387
April 10, 2017

Chair: Mitch Greenlick; Vice Chairs: Hayden, Nosse; Members: Alonso-Leon, Buehler, Hack, Kennemer, Keny-Guyer, Malstrom.

Submitted by Michael C. Huntington M.D.
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I speak in support of HB 2387 for drug price accountability

While Oregonians suffer and die from inability to afford overpriced medications, the drug industry protects its 19% profit margin. The rest of the Fortune 500 companies average a 5% profit margin.

Big Pharma devotes over a third of its spending to marketing and advertising. Only 10% to 20% of its budgets are devoted to research and development. Most of that R & D is for me-too drugs which are marketed as much better than existing drugs but are not. They are approved by the FDA if they can be shown to perform better than placebo (rather than compared to existing similar medications), and they are usually marketed at prices multiple that of existing effective drugs.

We have recently seen full page \$3,000 color ads against HB 2387. One argued that **the bill's** rebate provisions will constitute a windfall for health insurers and not benefit patients. But HB 2387 requires insurers to pass savings on to consumers through co-pay caps. The website of the ad sponsor displays minimal information, suggesting that it is a front for an unidentified group.

Another ad features a welder at work and implies that HB 2387 would hinder his/her job opportunities because it would reduce income for the drug industry and hamper projects that would employ workers. The drug industry harms workers every day by overpricing its drugs. Welders and other workers will be helped rather than harmed by this bill.

Please vote for HB 2387. An amendment I recommend is legalizing the purchase of medications from outside the United States even if that requires challenging federal rulings against importation of pharmaceuticals.

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