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TO: Chair Greenlick  
Vice-Chair Nosse  
Vice-Chair Hayden  
Members of the Committee on House Healthcare

FR: Oregon AFL-CIO

RE: **Support for HB 4005**

The Oregon AFL-CIO, representing over 300,000 working Oregonians, is a voice for all workers in the legislative process. As we consider our role as a worker advocate, we cannot overlook the increasing barriers that working families across the state are continuing to face as they struggle to afford prescription drugs. We applaud the bi-partisan effort of HB 4005.

Oregon has the opportunity to build off of similar work that's been done in other states, to curb increasing costs to hardworking families by passing HB 4005. Working families struggle to keep up with the rising costs of healthcare, but prescription drug prices are set in secret and with no justification. The drug companies claim they need high prices to justify research and development, but the reality is that nine out of ten companies spend more on marketing than on research and development. HB 4005 will finally shed some light on what is behind steep price increases on prescription drugs.

HB 4005 presents us with two main ways to ensure working families have more choice in which drugs to take and how much to pay. We strongly support both the transparency and the advance notice provisions contained in HB 4005, that together, do the following:

- *Require drug companies to give 60-day notice of any increase of 10 percent or more in a single year so patients have time to find alternatives and insurance companies have time to try to negotiate a lower price for the ultimate benefit of members*
- *Require drug companies to be transparent about their research, development, and advertising costs when prices increase more than 10 percent in a single year.*
- *Require drug companies to be transparent about whether there are equivalent generic drugs on the market the effectiveness of the drug, and what the drug costs in other countries and reasons for the price increase*
- *Require drug companies to report on patient assistance programs that help lower the costs of drugs to patients.*

- *Require drug companies to report new drugs entering the market as a price that meets/exceeds the “specialty drug” price under federal law (~\$600/mo.)*
- *Require Oregon’s insurance companies to be transparent about the 25 most costly drugs and those with the highest annual increases and the impact of prescription drug prices on premiums*
- *Require the Department of Business and Consumer Services to publicly post on their website the list of drugs and manufacturers who have excessive price increases and the percentage of those increases.*
- *Require the Department of Business and Consumer Services to establish a process for patients and consumers to report pharmaceutical drug price increases and requires the department to report to the legislature annually.*

The Oregon AFL-CIO strongly encourages your support for HB 4005.