



February 5, 2018

Representative Mitch Greenlick  
Chair, House Health Care Committee  
900 Court Street NE, H-493  
Salem, OR 97301

Chair Greenlick and members of the committee, thank you for the opportunity to submit comments in support of HB 4005, the Prescription Drug Transparency Act.

PacificSource is an independent, not-for-profit health plan based in Oregon. We serve commercial, Medicaid and Medicare lives and administer contracts for Coordinated Care Organizations (CCO) in Central Oregon and the Columbia River Gorge.

Nationally and in Oregon, medical inflation continues to outpace the cost of other goods and services. Runaway prescription drug costs threaten our ability to fulfill our mission of providing better health, better care, and better cost to the people and communities we serve.

With HB4005, Oregon is joining states across the country that are taking a stand for transparency in drug pricing. It will give the pharmaceutical industry the opportunity to explain its justification behind unexplained price increases, a chief contributor to rising medical inflation.

The pharmaceutical market is the only part of the healthcare system that lacks significant transparency. Health insurers, hospitals and government programs like PEBB and OHP have some level of price transparency and accountability. HB 4005 will address the factors that contribute to steep price increases on prescription drugs.

Oregon companies—small and large—cannot keep pace with the unsustainable rate of growth in prescription drug prices. They are being forced to choose plans for their employees with higher out-of-pocket maximums and far fewer benefits. At PacificSource, approximately one percent of our members use specialty drugs, yet these drugs represent nearly 46 percent of the total prescription drug spend. In addition, we absorbed double digit drug price increases each year from 2012-2015. Prescription drugs cost Americans, on average, twice as much as other industrialized countries for medications.

PacificSource and a large coalition of advocate groups encourage support of HB4005. Pharmaceutical pricing accountability is the first step in addressing a problem that is adversely impacting tens of thousands of Oregon lives.

We urge the House Health Care Committee's support of this legislation. It represents an overdue step in explaining why pharmaceutical prices continue to rise at runaway rates that negatively impact all Oregonians.

A handwritten signature in blue ink, reading "Michael G. Becker".

**Michael Becker**  
Vice President of Government Relations  
PacificSource Health Plans