

Providence Health & Services
4400 N.E. Halsey St., Building 2
Suite 599
Portland, OR 97213
www.providence.org/oregon



February 6, 2018

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

RE: House Bill 4156 – Changes to pharmacy coverage

Dear Representative Greenlick and members of the committee:

Providence Health Plan is committed to helping our members manage their pharmaceutical coverage in order to provide safe, cost-effective coverage that best meets their needs. One of the ways that we do this is through prescription drug formulary management. It is important to recognize that prescription drug formulary management, which may include mid-year formulary changes, keeps members safe and premiums low.

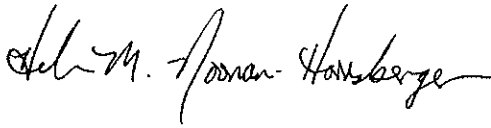
Medical evidence related to prescription drugs changes rapidly. Insurers should not be required to wait for FDA to take action in response to emerging medical evidence that indicates serious safety or efficacy issues with a drug. Although the bill as introduced allows for formulary changes in response to FDA alerts (e.g. drug recalls), this is a low threshold as it relates to managing safe formularies. As safer and more effective drugs are introduced into the market (e.g. Hep C) it is in the best interest of Oregonians for insurers to have the ability to steer members to these safer and more effective drugs during the plan year via formulary changes and new utilization controls.

Further, it is important to recognize that drug manufacturers regularly impose price increases throughout the year. Restricting the ability of insurers to adjust formularies in response to drug manufacturer price increases will drive up premiums for Oregonians. Drug manufacturers will have no incentive to work with insurers to achieve cost savings as they will be guaranteed reimbursement for drugs listed on an insurer's formulary for the year.

Providence Health Plan strives to maintain the safest and most cost-effective formularies. In doing so, we recognize that changes may impact our members and we provide them with advance notification (when possible) of any changes that may have an adverse impact. Further, current Oregon regulations allow members to appeal prescription drug coverage denials so members are able to seek continued or new coverage of non-formulary drugs that are best suited to their health needs. This allows our members to receive the care they need while ensuring that our formulary remains as safe and cost-effective as possible.

Thank you for the opportunity to provide our input; we look forward to further discussion.

Sincerely,

A handwritten signature in black ink that reads "Helen M. Noonan-Harnsberger". The signature is written in a cursive style with a large initial 'H' and 'M'.

Helen Noonan-Harnsberger, Pharm.D, AVP, Pharmacy for Providence Health Plans