



Wednesday, February 8, 2018

Representative Mitch Greenlick
House Committee On Healthcare
Oregon State Capitol
Salem, Oregon 97301

Re: HB 4156

Dear Senator Representative Greenlick:

After the League of Oregon Cities' testimony on HB 4156, dealing with prescription plan changes, there were some questions as to whether or not the bill impacted cities. Our reading of the bill continues to lead us to the conclusion that it does. A number of cities have pharmacy benefit programs that are fully insured. The likely cost increases associated with HB 4156 will be passed on to them without question.

Additionally, the language below from Section 2 of the bill impacts the coverage that City County Insurance Services is required to provide:

(10) A carrier that offers a group health benefit plan that reimburses the costs of prescription drugs sold by a retail pharmacy or administered by a health care provider may not, during a plan year:

While this language appears intended to apply to group plans and not self-insured plans offered by public employers, ORS 743, 743A and 743B cannot be altered without impacting local government self-insured plans. These plans are organized under ORS 731 and I would call your attention to ORS 731.136(6)(b) "The individual or jointly self-insured health insurance program includes all coverages and benefits required of group health insurance policies under ORS chapters 743, 743A and 743B;". Also, cities and counties typically offer coverage from Kaiser in their service area and would be impacted in that instance as well.

The League is willing to discuss this matter with any interested party but believes that protecting the ability to make changes based on drugs entering the market and patient safety are flexibilities that ought to remain.

Best Regards,

Scott Winkels

League of Oregon Cities

503-720-8384

Sincerely,

Scott Winkels

League of Oregon Cities