

February 9, 2018

The Honorable Mitch Greenlick, Chairman  
House Committee on Health Care  
Oregon House  
900 Court St NE, H-472  
Salem, OR 97301

**Re: House Bill 4103 - Opposed**

Dear Representative Greenlick,

Moda Health presents this letter in opposition to House Bill 4103, a bill that will negatively impact Oregonian's. HB 4103 removes the ability for health plans and plan sponsors to utilize quality standards as a consideration in establishing pharmacy networks designed to support patient care, appropriate access and high value pharmacy care. By removing the ability to establish specialized provider networks the bill will result in higher prescription drug costs for Oregonians and jeopardize the continuation of the consistent standard of high-quality healthcare that is available today.

Moda Health is a Northwest-based health insurer providing dental, medical and pharmacy insurance and administrative services in Oregon, Washington and Alaska. We take pride in the diversified range of clinical and pharmacy cost management services and strategies Moda Health deploys on behalf of the more than 1.2 million individuals in the Pacific Northwest for whom we provide prescription drug coverage. Moda Health is the administrator for Oregon's Prescription Drug Program (OPDP), which includes over 200,000 members enrolled in the Oregon Educators Benefits Board (OEBB), Public Employee Benefits Board (PEBB), SAIF, Eastern Oregon Coordinated Care Organization, and other self-insured and government programs statewide, as well as over 300,000 underinsured and uninsured residents who benefit from the preferential drug prices that the OPDP discount card has made possible.

Pharmacies play an essential role in the overall health of our healthcare system. Payers also play a vital role in maintaining the health of our system by working aggressively to ensure that the most effective care is delivered at the most affordable cost. Broad pharmacy access, care that is consistently well-managed and delivered to ensure the lowest possible cost for payers and beneficiaries alike are critical to ensure members who require medications receive the appropriate level of care, in the right setting, to achieve the best possible outcomes.

Identifying the proper balance across these competing demands is complex. It requires substantial work to find avenues where differences can be discussed and addressed.

This is especially important in the consideration of the correct use of pharmacies. Not all pharmacies are alike. There are many types of pharmacies in the healthcare market serving retail, traditional mail order, specialty, long term care, hospital integrated delivery networks (IDNs) and other pharmacy models. Each type of pharmacy performs a distinct service in caring for the medication needs of the consumers they serve. The specialization of pharmacies has

elevated the quality of care for patients in all settings as pharmacists are able to focus on areas of expertise and increase clinical coordination with the prescribing providers. Patients who depend on life-saving medications rely on the extension of care model specialized pharmacists offer.

For health plans and others who are entrusted with providing well-managed and affordable healthcare, it is imperative that we have the ability to select pharmacies that are the most qualified and provide specialized services necessary to support specific healthcare needs. We embrace the responsibility we all have to support and further elevate evidence-based, high value healthcare delivery in Oregon. In this spirit, Moda stands behind our commitment of making certain members have broad geographic access to appropriate pharmacies; ensuring the pharmacy services that are delivered are capable of meeting the distinct medication needs of beneficiaries; validating that the network of pharmacies that are available can deliver the best level of appropriate clinical care and counseling; and ensuring that pharmacy services are available at the best possible cost for state and local public and private groups.

As drafted, HB 4103 removes the ability for health insurers and other payers to effectively maintain quality, as it prohibits payers from using accreditation, certification, credentialing or other standards that we rely on to ensure that all patients consistently receive the highest level of pharmacy care for the medications that are critical to their health. The bill will devalue the specialization of pharmacies and pharmacists as essential healthcare providers. HB 4103 does not support forward progress or improved access, but rather compromises access to specialized services and care for members at a time in their healthcare journey where they may need help the most. Without standards, the ability to ensure a standard of care and quality for members does not exist and effective patient care is placed at risk. It is imperative that payers retain the ability to establish standards to ensure the best possible care can be consistently delivered, wherever members reside.

HB 4103 also creates a general challenge for health insurers and other payers to continue to contain and manage drug costs – and live within the mandated costs of state programs. It removes the ability of payers to create selected networks of qualified providers to provide pharmacy services for our members at the lowest possible cost. This not only impacts our ability to control costs, but will result in increased costs for members, since we will be unable to leverage our purchasing power to achieve the best prices for employers and individuals.

Moda Health is committed to improving access to members and ensuring that its pharmacy networks deliver the best care and value for members. HB 4103 works against this objective and will risk care and increase costs.

For these reasons, Moda Health strongly opposes passage of HB 4103.

The Honorable Mitch Greenlick, Chairman

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We appreciate the opportunity to comment on this bill. If you have any question, please do not hesitate to contact me at [robert.judge@modahealth.com](mailto:robert.judge@modahealth.com), or (503)265-2968.

Sincerely,

Jim Francesconi

Vice President, Public Policy