



Memorandum

To: House Committee on Health Care

From: Jeremy Vandehey, Acting Director, Health Policy and Analytics Division

Date: February 12, 2018

Subject: Support for HB 4151

Good afternoon Chair Greenlick and members of the committee. My name is Jeremy Vandehey. I'm the Acting Director of the Health Policy and Analytics Division of the Oregon Health Authority.

I'm here to testify in support of HB 4151 with the -1 amendments, which a couple of additional minor changes. The bill as introduced would create a requirement for state agencies to purchase pharmaceutical products through the Oregon Prescription Drug Program (OPDP). The bill provides an exception to this requirement if the agency can demonstrate to OPDP that the agency can obtain greater discounts and preserve aggregate cost savings through other available purchasing mechanisms.

The -1 amendments would form an advisory committee to OPDP to study and make recommendations about requiring certain entities to participate in the program. The group would consider barriers to joining the program; flexibility which may be needed; analyze potential savings from joining; and develop a plan for group purchasing. A work group would ensure that there is thoughtful planning and implementation before agencies are required to join. It's important that we consider the individual purchasing needs of different programs and agencies in the state to ensure OPDP could meet their needs.

OPDP started in 2003 as a discount card program for uninsured and underinsured Oregonians. It has since expanded to a robust multi-faceted program that can serve both individuals and group purchasers, including insurers, coordinated care organizations, and self-insured employers. Today, the program has four components:

- Provides discounts on prescription drugs to any Oregonian who enrolls in the discount card.
- Provides pharmacy benefit administrative services for health benefit and insurance groups.
- Provides vouchers for government programs that want to control pharmacy expenditures.
- Provides group purchasing options for facility and agency purchasers.

Since 2006 OPDP has partnered with Washington State's Prescription Drug Program to form the Northwest Prescription Drug Consortium. The two-state consortium serves over a million people and has helped facilitate over \$800 million in pharmacy purchasing last year alone. OPDP currently serves 300,000 individuals Oregonians and more than 200,000 members of a group health benefit plan. OPDP is poised to help any eligible program or agency save money on pharmaceutical purchases.

We've requested three minor technical changes to the -1, and with those changes support the bill. On page 1, line 4, replace Oregon Health Policy Board with Oregon Prescription Drug Program. On page 1, line 14, strike "potential" and after "flexibility" insert "required. And page 2, line 14 replace "board" with "Oregon Health Authority."