

From the Desk of
Senator
Steiner Hayward

ORs for Affordable Drugs
Yes HB4005B



OREGONIANS FOR AFFORDABLE DRUG PRICES NOW URGES SUPPORT FOR HB 4005 B

HB 4005B comes after several years of work on prescription drug prices. Transparency from drug manufacturers was a top recommendation of the 2015-2016 prescription drug price work group and it is the top priority for our coalition.

Only drug manufacturers can set the initial price of a prescription drug. HB 4005B starts at the beginning of the distribution chain. If drug companies want to increase the price of a drug more than 10% in a year, they simply have to report why. It gives them the opportunity to explain the justification behind the price increases, the profitability of the drug, whether there are generics available and what the price is in other countries.

Without this foundational transparency, patients are left without answers. Drug prices can skyrocket overnight with no justification – not just for new drugs, but for drugs that have been on the market for decades. Patients and their health care providers are left struggling to find ways for them to afford their medications.

How much of the price of a drug comes from research and how much comes from marketing? How much public funding went into the creation of the drug and how much profit goes to the manufacturer? Why do patients in other industrialized countries pay 50% less than Americans for identical medications? HB 4005B will help answer these questions.

HB 4005B will help explain why insulin has increased 300% over the last 10 years, and Naloxone - which is essential in fighting the opioid epidemic - has increased 552% in the past three years.

Cities, counties, school districts and public safety budgets are feeling the squeeze of unsustainable price increases for older drugs that have been on the market for years. Between 2008 and 2015, there was a 1000% increase for more than 400 generic drugs. Brand name drug prices have grown five times faster than the 3.4% annual growth for Medicaid. Specialty drugs have increased even more.

HB 4005B also gives the state a jump on looking beyond manufacturers for price transparency. As HB 4005B is being implemented, the concurrent Fair Pricing of Prescription Drugs will look at how expanding transparency to other areas of the distribution chain might also help, and whether there are other ideas to consider in relation to drug prices.

Prescription drugs have saved lives, improved the quality of life and are an important part of staying healthy for millions of Oregonians. But too many people can't afford their medications and are forced to take reduced dosages, cut pills in half, or make hard choices between medicine or rent or food. This is a need step forward in tackling skyrocketing prescription drug costs for Oregonians. **We urge your support for HB 4005B.**

We support the Oregon Rx Drug Price Transparency Act.

