

From the Desk of  
Senator  
Lew Frederick

## Floor Letter in Support of HB 4005B

Dear Senators,

OSPIRG strongly supports HB 4005B, an urgently needed measure to create transparency and accountability to help address the rising cost of prescription drugs.

The high cost of prescription drugs has been a perennial concern for Oregon consumers, but in recent years, it has become the #1 health care issue we hear about from our members.

Rising prescription drug costs are a burden on all Oregonians—not just the patients who depend upon expensive specialty drugs—through rising health insurance premiums, rising costs for Oregon businesses and a growing burden on state and federal budgets. Through our years of experience as a voice for consumers in Oregon’s unique, transparent health insurance rate review process, we have seen firsthand the impact of rising prescription drug prices on Oregon health insurance premiums.

Although HB 4005B by itself is unlikely to be enough to alleviate the burden of skyrocketing drug costs, it is an urgently needed step in the right direction.

Experts agree that prescription drug prices often have little to no correlation to what the manufacturer spends to research and develop drugs, and that R&D costs are often overstated by the drug industry. One of the conditions that enables escalating drug prices is a lack of transparency and accountability regarding prescription drug manufacturers’ pricing practices.

In this context, we believe that the very least Oregon consumers deserve is an explanation. By requiring drug companies to explain large price hikes, this legislation will create much-needed public accountability for the prescription drug industry, and may help deter some of the most excessive price increases. The information HB 4005B would require from drug manufacturers could also prove invaluable as the state considers strategies to contain drug costs and maintain a sustainable rate of health care cost growth.

Oregon consumers are counting on you to stand up for them and take action on rising prescription drug costs.

**OSPIRG urges your support for 4005B.**