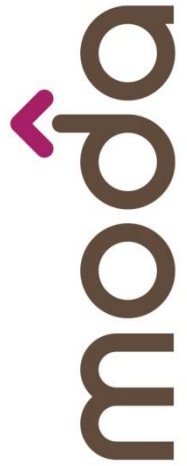


March 21, 2019

The Honorable Andrea Salinas, Chairman
House Committee on Health Care
Oregon House
900 Court St NE, HR-E
Salem, OR 97301



Re: House Bill 2185 - Opposed

Dear Representative Salinas,

Moda Health presents this letter in opposition to House Bill 2185, a bill that will place limitations on the ability of payers and plan sponsors to work with their Pharmacy Benefit Managers (PBMs) to establish appropriate pharmacy networks and ensure effective cost management of pharmacy claims. HB 2185 includes language that limits the ability to effectively utilize mail order pharmacies to ensure appropriate and affordable medication delivery for individuals who require chronic medications; places potentially burdensome requirements on a payer's ability to realize the lowest cost available for commonly prescribed generic medications; and may limit a payer's ability to establish standards around the selection and use of specialty pharmacies used to support patient care and a consistent standard for high-quality healthcare for members with complex health conditions.

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, which includes over 200,000 members enrolled in the Oregon Educators Benefits Board, Public Employee Benefits Board, 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. PBMs and 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, and care that is consistently well-managed and delivered to ensure the lowest possible cost for payers and beneficiaries alike are critical to ensuring affordable and effective pharmacy care for our members.

HB 2185 will place limitations on our ability to manage and deliver services for our members. 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 that we can use the tools that are available to ensure affordable cost. HB 2185's



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limitations on PBMs may result in both a denigration of our ability to establish and manage pharmacy networks and may increase the cost of drugs used to provide effective therapy. As drafted, HB 2185 removes the ability for health insurers and other payers to effectively maintain quality and manage costs by:

- Prohibiting a requirement for member's to fill or refill prescriptions at a designated mail order pharmacy, which can result in higher costs and less effective standardization of care for individuals requiring chronic medications;
- Limiting the ability of PBMs to fully use Maximum Allowable Cost (MAC) reimbursement for pharmacies as a savings tool to prevent overpayments for generic prescriptions, which would result in increased costs to payers and members; and
- Impacting the ability to establish and maintain control over the standards established for specialty pharmacies to ensure the best possible care is consistently delivered for members who have critical health care needs.

Moda Health is committed to ensuring broad pharmacy access for our members and to ensure that its pharmacy networks deliver the best care and value for members. HB 2185 works against this objective and will risk care and increase costs.

For these reasons, Moda Health opposes passage of HB 2185. We appreciate the opportunity to comment on this bill.

Sincerely,

Robert Judge
Director, Pharmacy Services



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