

May 1, 2019

Senator Laurie Monnes Anderson, Chair
Senate Committee on Health Care
900 Court St. NE
Salem OR 97301

RE: Support for HB 2658

Dear Chair Monnes Anderson and members of the Senate Committee on Health Care:

Kaiser Permanente is pleased to support HB 2658, which requires pharmaceutical manufacturers to give at least 60-days advance notice of significant planned price increases to the Department of Consumer and Business Services. Drug companies continue to raise the prices of prescription drugs to unaffordable levels – causing difficulty for patients and families in Oregon and across the country. Drug companies have a government-granted monopoly to determine prescription drug prices, putting profits ahead of patients. It's time for a new drug pricing system that rewards innovation and discoveries, but also provides medicines at prices patients can actually afford. HB 2658 is an important piece of this new system.

Currently, pharmaceutical companies can and do raise the cost of drugs at any time without notice, sometimes multiple times a year. The lack of notice and opportunity to shop for alternative drugs at lower prices forces insurers and other purchasers of drugs to accept the higher prices, which are passed on to Oregonians through higher premiums and copays. By 2020, specialty drugs will make up over half of all pharmacy costs in the United States even though specialty drugs account for just a small percentage of all prescriptions.

After California passed Senate Bill 17, which included a similar provision requiring 60-day advance notice of significant price increases, a number of pharmaceutical companies [canceled or moderated planned price hikes](#) and we believe the reporting requirement has had a moderating impact on overall price increases.

Kaiser Permanente works every day to deliver the safest, most effective care possible to our almost 12 million members, protecting patients and providing the highest quality care for them at the best value. As the healthcare system is being held more accountable for results, drug companies need to play by new rules, explain their prices, and pay for what works. Please join us in supporting HB 2658.

Sincerely,



Amy Fauver
Director, Government Relations
Kaiser Permanente Northwest