



May 1, 2019

Honorable Chair Laurie Monnes Anderson
900 Court St NE, S-211
Salem, OR 97301

RE: Support for HB 2658A

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

PacificSource is an independent, not-for-profit health plan based in Oregon and we serve more than 300,000 commercial, Medicaid, and Medicare members. We are the Risk Accepting Entity for the Central Oregon and Columbia River Gorge CCO's through PacificSource Community Solutions. Our mission is to provide better health, better care, and better value to the people and communities we serve.

PacificSource Health Plans fully supports HB 2658A and respectfully ask that this Committee vote in favor of this legislation to better inform pharmacy users and to lower the cost of prescription drugs.

HB 2658A requires drug manufacturers to provide 60-days' notice of price increases to the Oregon Department of Consumer and Business Services. HB 2658A applies to:

- Brand drugs: 10% or more, or \$10,000+, over a 12-month period
- Generic drugs: 25% or more, or \$300+, over a 3-month period.

This type of notice, with the other elements of the legislation, will better advise and inform the processes that PacificSource undertakes to ensure that our enrolled members have access to prescription drugs that best meets the medical needs of our members while being as responsive as possible to cost.

California passed a similar provision in 2018, but not all insurers have access to this information. Oregon's consumers should be given the same warning of price increases—and

the reasons for the price increases—as our neighbors to the south. That’s why PacificSource is a part of a broad coalition from consumers to health care providers who support HB 2658A.

Making steps to lower the cost of pharmaceuticals will lower the cost of health care for everyone. Lowering health care costs also means more dollars can go toward other needs in the state budget. With pharmaceutical companies raising prices of medication at more than 10 times the rate of inflation, the time to act is now.

We live in a time when drug companies make double the profits of pharmacists, distributors, insurance companies, and pharmacy benefit managers combined. These record profits exacerbate high costs for medications that affect everyone: patients, providers, employers, taxpayers, hospitals and health plans. Prescription drugs cost Americans, on average, twice as much as other industrialized countries.

We respectfully request your support for HB 2658A and commend you for giving this legislation due consideration in service to your constituencies and Oregonians from across the state. This bill is critical to the physical and economic health of all Oregonians.

A handwritten signature in black ink, appearing to read 'Mihir Patel', written in a cursive style.

Mihir H. Patel, PharmD
Vice President, Pharmacy Services