

February 4, 2020

To: Senate Committee on Health Care  
From: Nathaniel Brown, Oregon Business & Industry  
RE: OBI Testimony on SB 1535

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**Chair Monnes Anderson, Vice Chair Linthicum, members of the committee:**

On behalf of Oregon Business & Industry's (OBI) membership of more than 1,600 businesses that employ nearly 300,000 people in the state, thank you for the opportunity to comment on this important issue. While we encourage balanced efforts to better understand the growing costs of prescription drugs, after careful evaluation of the policy, we oppose SB 1535 for the following reasons.

Conceptually, we have concerns with any bill in a short session that proposes expansive changes to existing law. While we appreciate the consideration of the entire supply chain when considering prescription drug price transparency measures, SB 1535 does far more than make technical fixes. Language in this bill would allow the release of proprietary information, penalize manufacturers for not providing information – on shortened timelines – they potentially don't collect in the first place, and give broad leeway to the state in requesting information for any and all matters related to drug pricing.

More specifically, we have concerns with the proposed expansion of the Department's authority to request any information from any manufacturer in any format. This sets a bad precedent and creates an additional administrative burden for employers. This burden is only compounded when considering the startling language in this bill that provides immunity to the Department from any claim or action based on the disclosure of a trade secret. This provision is also a dangerous precedent, as many employers in Oregon are required to provide trade secret information to the State – that information should clearly be protected and if the trade secret information is released, employers should have the ability for recourse.

Specific concerns aside, this bill clearly goes beyond the scope of technical fixes. Again, we encourage balanced efforts to shine a light on health care cost growth indicators in an attempt to address this critically important issue for Oregon businesses and their employees. These efforts are already in motion, through the current charge of the Task Force on Fair Pricing of Prescription Drugs (HB 4005, 2018) and the Sustainable Health Care Cost Growth Target Implementation Committee (SB 889, 2019). However, this bill does not accomplish that goal and simply provides authority for broad overreach by the state that will destabilize ongoing efforts to promote transparency.

Thank you for the opportunity to comment on this critical issue.

Sincerely,

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