



February 6, 2020

Chair Salinas, Members of the Committee

Cambia is sympathetic to the challenges that Oregonians suffering from diabetes face regarding access to affordable insulin medications. We are committed to delivering solutions to help our members manage diabetes, and appreciate the commitment that legislators are displaying to combat rising co-pays for these individuals. All Oregonians deserve access to quality and affordable diabetes medications, and we want to be part of the coalition that creates a viable solution to this problem.

We are concerned that the bill as written will be very difficult to operationalize. Applying an overall monthly cap is simply something that is very difficult to make a reality. We could operationalize a per prescription cap and strongly encourage you to consider an amendment.

More than anything in this bill, we are concerned that this bill will not effectively address the very important fact that is highlighted on page 1 lines 9-10 in this bill:

“Whereas insulin prices rose by 45 percent between 2014 and 2017 and, over the past 14 years the price of insulin has risen by 550 percent, adjusted for inflation...”

HB 4073 will not lower the price of insulin products. In fact, it will likely lead to higher premium costs, and in some cases, it will cause out of pocket expenses for other services to go up as well. Under CMS guidelines, all ACA plans must maintain a sufficient actuarial value (AV) to be on the public exchange. This new co-pay cap on insulin will force many if not all bronze tier plans to increase out of pocket expenses in order to offset the impact. We do not believe this can be avoided in order to comply with federal law; attached is documentation from Oregon’s Department of Consumer and Business Services analyzing how a co-pay cap of \$100 would possibly play out for a standard bronze plan.

We provide this information and perspective not to advocate against the bill, but rather to inform you of the unintended downstream ramifications and very likely increase health care costs for Oregonians.

Furthermore, we are disappointed to hear that no reporting requirements will be asked of the manufacturers of insulin products. This is a missed opportunity to better understand why prices for a medication that has been available for decades continue to rise unchecked. We are committed to solutions that address the rising price of these important medications for all Oregonians and appreciate your partnership with us and others to make those solutions a reality.

Sincerely,

James A. Polo, MD, MBA
Executive Medical Director
Regence BlueCross BlueShield of Oregon

