



June 21, 2023

TO: House Rules Committee
FR: Maribeth Guarino, Health Care Advocate, Oregon State Public Interest Research Group (OSPIRG)
RE: In Support of SB 192 and PDAB Recommendations

My name is Maribeth Guarino and I am the health care advocate at OSPIRG. We are a statewide, citizen-based, public interest organization representing thousands of Oregonians. I am testifying in support of SB 192-B and the recommendations of the Prescription Drug Affordability Board (PDAB) included in this bill.

The cost of prescriptions is a huge burden for Oregonians, resulting in 1 in 4 skipping a dose, not filling a prescription, or otherwise rationing their medication.¹ One reason why prescription prices are inflated is because of pharmacy benefit managers (PBMs). PBMs are the middlemen of the pharmaceutical supply chain, influencing the price and cost of prescriptions in a variety of ways. Among other roles, PBMs work with manufacturers and health plans to create drug formularies, which determine which prescription drugs are covered by insurance and at what cost to the insurer and the consumer. **PBMs maximize profits for themselves and other entities in the supply chain like manufacturers through negotiated rebates and discounts in return for placing drugs - often brand-name and more expensive drugs - at preferred tiers on the formulary which have higher cost-sharing for consumers.**

Middlemen are not inherently bad in a marketplace, but in the case of prescription drugs, we find that there is a huge risk of predatory behavior due to consolidation and a lack of transparency. Many PBMs are actually part of drug manufacturing companies or other entities in the supply chain, sometimes as subsidiaries or under the same parent company, meaning that they really aren't middlemen anymore and instead negotiate with themselves to inflate prices and profits. Last year, the National Association of Insurance Commissioners found that the three largest PBMs (ExpressScripts, CVS Caremark, and OptumRx) controlled nearly 90% of the market - an increase from the data presented by DCBS yesterday which showed those same three controlled about 80% in 2021.² SB 192 is in line with **the Prescription Drug Price Transparency Program's recommendations from 2019 and 2021 for increased transparency throughout the pharmaceutical supply chain.**

I'd like to share a few stories with you from Oregonians who have felt the burden of these high-priced prescriptions.

Shirley and LeRoy live in Portland, and Leroy suffers from a loss of vision in one eye. He's had surgery to relieve the pressure he experiences, and was prescribed Rhopressa, a tiny bottle of eyedrops not even a few inches tall. Each prescription is \$320 - and their insurance only saves a few dollars. They would need to fill that prescription a few times a year, and the cost really adds up, so Leroy doesn't fill the prescription and is instead dealing with that loss of vision and eye pain on his own.

¹ Altarum CHES, 2021.

<https://www.healthcarevaluehub.org/advocate-resources/publications/oregon-residents-worried-about-high-drug-costs-support-range-government-solutions>

² National Association of Insurance Commissioners. Pharmacy Benefit Managers. April 11, 2022.

[https://content.naic.org/cipr-topics/pharmacy-benefit-managers#:~:text=Today%2C%20there%20are%206%20PBM,of%20UnitedHealth%20Group%20Insurance\)%20%E2%80%93%20controlling](https://content.naic.org/cipr-topics/pharmacy-benefit-managers#:~:text=Today%2C%20there%20are%206%20PBM,of%20UnitedHealth%20Group%20Insurance)%20%E2%80%93%20controlling)

Susan was diagnosed with pancreatic cancer last year. She was enrolled in an insurance plan through her husband's employer, and had to jump through so many hoops to get her chemotherapy medication that she ended up paying for it out-of-pocket so she didn't have to delay the treatment. This was only possible with the financial help of several family members.

These are two stories out of hundreds. Oregonians are struggling every day with the cost of prescription drugs, but SB 192 and the recommendations of the PDAB to increase transparency across PBMs and to work on upper payments limit for high-cost prescription drugs will start to lower prescription drug costs.

These are the next steps to bring the cost of prescriptions, and the cost of health care, under control in our state. For Oregonians like Leroy and Susan, I urge you to support this bill.