

Submitter: Molly Bloom

On Behalf Of:

Committee: House Committee On Behavioral Health and Health Care

Measure: HB3013

As an Oregon licensed pharmacist working for independent pharmacies, I urge you to support HB 3012, HB 3013 and HB 3015. In order to remain a viable business, daily, we are forced to turn away patients because of negative reimbursement on medications (a direct result of PBM practices). As an employee of a newly opened independent pharmacy, people are anxious to transfer prescriptions because the wait times at retail chain pharmacies have become hours to days long. People should not have to wait days to fill their life saving medications. Pharmacies should be able to afford to hire staff sufficient to fill prescriptions and at the minimum answer the phone. The for-profit model of PBMs is out of control and has become an urgent patient safety issue needing regulation.

Support of HB 3012, HB 3013 and HB 3015 will:

Require that PBMs be licensed by the Department of Consumer and Business services.

Establish a dedicated FTE to regulate their business practices in Oregon.

Additionally, to combat unfair reimbursement practices that are driving pharmacies out of business, this bill will require that pharmacies are reimbursed at the same rate as fee-for-service Medicaid, which sets its rates to reimburse pharmacies only for the costs they incur for filling a prescription.

This reimbursement provision will also add some level of transparency to prevent spread pricing.

Other provisions, such as requiring that PBMs do not retaliate against pharmacies for trying to enforce fair business practices, regulating remote or desk audits, and preventing excess fees for submitting claims, will help prevent PBMs from shifting their current practices to other practices that are unforeseen at this time.

PBMs are companies that manage prescription drug benefit programs for health plans. PBMs promote themselves as saving health plans and their covered members money, which helps them avoid regulation and so they keep their negotiations and the discounts or rebates they get from drug companies are very secretive.

PBMs commonly pocket funds that ought to be used to lower drug prices or lower copays. The common practice known as "spread-pricing" enables the PBMs to

charge health plans higher prices than the PBM is paying to pharmacies, yielding additional unknown profits.

Reimbursement issues remain the biggest threat to community pharmacy viability, thus one of the biggest threats to patient access. Underwater reimbursement and non-transparent and outdated maximum allowable cost (MAC) lists, which reimbursements in most health plans and programs are based on, remain two of the biggest problems. Pharmacies are constantly reimbursed below drug acquisition cost and the cost to dispense regardless of the health plan or program because of PBM business practices.

Thank you for considering this request and for your support of these bills