



Oregon Society of Health-system Pharmacists OSHP Testimony on HB 2716

Chair Nosse, Vice Chairs Goodwin and Nelson, and members of the House Behavioral Health and Health Care Committee, my name is Michael Millard and I am representing the Oregon Pharmacy Coalition and the Oregon Society of Health-System Pharmacists in support of HB 2716.

The Legislature has made it clear that PBM's should reimburse all pharmacies fairly and equitably for the drug they provide to patients covered by their plans. However, in their never-ending search for profit, PBMs have recently begun practices to seek and discount those pharmacies that also participate in the federal 340B program. A "340B covered entity" means an entity participating in the federal 340B drug discount program, as described in 42 U.S.C. § 256b, including its pharmacy or pharmacies, or any pharmacy or pharmacies, contracted with the participating entity to dispense drugs purchased through such program.

The 340B program was established in 1992 to allow safety net hospitals and other covered entities to purchase outpatient medications at a discounted price and direct those savings to services that improve the care of vulnerable patient populations. The Health Resources and Services Administration (HRSA), which oversees the 340B program, describes it as a mechanism to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services. Please refer to the ASHP article in the posted material for a brief summary of the benefits of the 340B program to patients.

These discounts were not designed to enrich the PBM's.

The few additions in HB 2716 to ORS 735.534 simply clarifies that the PBM may not discriminate or impose a fee on a pharmacy participating in 340B to attempt to claw back the federal discount.

Another provision of HB 2716 addresses another attempt by the PBM's to direct drug dispensing to pharmacies that they own and operate. Some PBM's have created "certification" programs that are required for a pharmacy to participate in their network for certain drugs. These programs are not part of the Board of Pharmacy regulations and are a barrier to access for PBM patients to local pharmacies. Local pharmacies are faced with an expensive, conflicting, and time-consuming array of certifications needed to qualify to dispense drugs, sometimes 340B discounted drugs, to their patients. The PBM owned pharmacies are all "certified" by their owner PBM's.

HB 2716 is a needed correction and adjustment to the current efforts of the Oregon Legislature to control and regulate Pharmacy Benefit Managers. The Oregon Society of Health-System Pharmacists and the Oregon Pharmacy Coalition urge the Committee to continue its good work and pass this needed update to the current legislation.