

# **NACDS Testimony**

**Oregon House Behavioral Health & Health Care Committee**

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National Association of Chain Drug Stores - The Face of Neighborhood Healthcare

# HB 3212

- Prohibit spread pricing and patient steering
- Restrict PBMs from mandating pharmacies provide services at a loss
- Prohibit PBMs from requiring further accreditation standards beyond Oregon Board of Pharmacy requirements
- Help to ensure network adequacy
- Help to ensure reasonable and relevant reimbursement to community pharmacies that covers the true costs for pharmacies to purchase and dispense prescription drugs

# Cost-Based Reimbursement

- Pharmacy reimbursement is comprised of two parts:
  - The drug's ingredient cost and
  - A professional dispensing fee
- Reasonable and relevant reimbursement that covers cost prevents below-cost reimbursement
- PBMs' below cost reimbursement policies inflict financial burdens on pharmacies and ultimately jeopardize patient access to care.

# National Average Drug Acquisition Cost (NADAC)

- National Average Drug Acquisition Cost (NADAC)
  - Based on monthly surveys of pharmacy invoices
  - Recognized as the standard benchmark for ingredient costs in community pharmacies of all sizes
- **HB 3212 would help support necessary and adequate pharmacy reimbursement rates at NADAC plus a professional dispensing fee (PDF) to helping to ensure sustainable patients access to local pharmacy care.**

# US Federal Trade Commission

- Second Interim Staff Report on PBM's impact on specialty generic drugs in Medicare and commercial market
- The latest findings highlight numerous marked-up specialty generic drugs dispensed by the 'Big 3 PBMs' and their affiliated pharmacies by thousands of percent and others by hundreds of percent.
- The "Big 3 PBMs" generated more than \$7.3 billion in revenue for dispensing drugs in excess of NADAC on these specialty generic drugs.

# Stop Below-Cost Reimbursement

- HB 3212 will help:
  - Reform PBM practices;
  - Reduce healthcare costs; and
  - Help to ensure funds are appropriately directed to neighborhood pharmacies.
- Oregon neighborhood pharmacies – chains and independents alike – are experiencing the financial headwinds of below-cost reimbursement that threatens their long-term viability, and ultimately, patient access to care. In establishing a cost-based pharmacy reimbursement, HB 3212 will help prevent PBMs' harmful tactics that impede patient access.

**Please vote “YES”  
to advance HB 3212**