



OSHP Supports HB 3212, Rules and regulations for pharmacy benefits managers Wednesday, Feb 6, 2025

OSHP is in strong support for the regulation of Pharmacy Benefit Managers (PBMs) concerning their impact on community pharmacies. Dedicated health-system pharmacists have witnessed firsthand the critical role that community pharmacies play in providing accessible, essential healthcare services to our communities. It is imperative that we address and regulate the abuses of PBMs that threaten both the cost and availability of medications for our patients.

In the July 2024 report on PBM's by the Federal Trade Commission, they stated that:

PBMs are at the center of the complex pharmaceutical distribution chain that delivers a wide variety of medicines from manufacturers to patients. PBMs serve as middlemen, negotiating the terms and conditions for access to prescription drugs for hundreds of millions of Americans. Due to decades of mergers and acquisitions, the three largest PBMs now manage nearly 80 percent of all prescriptions filled in the United States. They are also vertically integrated, serving as health plans and pharmacists and playing other roles in the drug supply chain as well. As a result, they wield enormous power and influence over patients' access to drugs and the prices they pay. This can have dire consequences for Americans, with nearly three in ten surveyed Americans reporting rationing or even skipping doses of their prescribed medicines due to high costs.

PBMs also exert substantial influence over independent pharmacies, who struggle to navigate contractual terms imposed by PBMs that they find confusing, unfair, arbitrary, and harmful to their businesses. Between 2013 and 2022, about ten percent of independent retail pharmacies in rural America closed. Closures of local pharmacies affect not only small business owners and their employees, but also their patients. In some rural and medically underserved areas, local community pharmacies are the main healthcare option for Americans, who depend on them to get a flu shot, an EpiPen, or other lifesaving medicines.

PBMs oversee critical decisions about access to and affordability of medications without transparency or accountability to the public. Indeed, PBM business practices and their effects remain extraordinarily opaque

Fair and reasonable reimbursement of ingredient costs and professional fees for valuable services provided by pharmacists is essential to the survival of local, accessible, and appropriate pharmaceutical care for patients throughout the state of Oregon. This is true for both the ambulatory and hospitalized patients. HB3212 will provide this reasonable level of reimbursement.

It is important to emphasize that health-system pharmacies within the state are not equipped to replace the acute outpatient drug needs of Oregonians when community pharmacies disappear. This issue is particularly severe in rural and underserved areas, where pharmacy deserts created by PBMs predatory practices leave patients without

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access to necessary medications. The lack of access to prescription medications would inevitably lead to an increase in patients seeking routine medication supplies and refills in hospitals and clinics, placing an unsustainable burden on these facilities. Health-systems do not have the drug inventory, personnel, or pharmacy license to provide routine 30–90-day supplies of oral medications.

Non-compliance driven by lack of access to routine medications will result in increased urgent care and emergency department visits. Recent experience with pharmacy closures has resulted in hospital readmission and/or patient morbidity and mortality. This scenario will negatively affect the quality of care in urgent and emergency health-system settings, as they are not designed to manage such an influx of patients seeking routine medication refills. Furthermore, the vital public health services provided by community pharmacies, such as vaccinations, STI treatment, and Medication-Assisted Treatment (MAT) for Opioid Use Disorder, cannot be replaced by current health system pharmacies and pharmacists.

Looking past the current crisis to future issues in 2026 and 2027, we must anticipate the challenges posed by the cost and PBM monopoly on specialty drugs. While it is crucial to address the immediate access issues at hand, we cannot ignore the looming threat of PBMs monopolizing the specialty drug market. This market will include expensive drugs that have the potential to bankrupt current healthcare financing systems. As million-dollar-per-dose drugs are developed and prescribed or widely adopted expensive medications like Ozempic enter the market, the financial strain on patients and payers will become untenable.

In conclusion, the regulation of PBMs is essential to protect the accessibility, affordability, and quality of healthcare for all Oregonians. Community pharmacies are a cornerstone of our healthcare system, and their survival is paramount to ensuring that patients receive the medications and services they need. OSHP urges you to support measures that regulate PBMs and safeguard the future of community pharmacies. This is an urgent matter requiring immediate legislative action in the 2025 legislative session.

Thank you for your attention to this critical issue. I am confident that with proper regulation, we can create a more equitable and sustainable healthcare system for all.

Sincerely, on behalf of OSHP,
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