

February 3, 2025

Re: Support of HB 3212

Dear Honorable Representatives and Senators,

St. Charles Health System urges a “Yes” vote to pass HB 3212. In Central Oregon we are observing a marked decline in the capacity of local pharmacies to provide timely medication access to patients and the availability of pharmacists and staff to provide needed care and assistance in obtaining effective drug therapy. We are seeing patients abandoning needed drug therapy and showing up in our emergency rooms and clinics with uncontrolled chronic conditions.

The root cause is a financially unsustainable and unpredictable pharmacy reimbursement model. In addition to low average payment rates, many plan contracts allow for significant variability in payment rates without predictability or accountability. For example, at our pharmacies we are seeing some brand name drugs for the same plan reimbursed 16% below acquisition cost one month and 6% above the next. More concerning is a year-over-year trend of declining reimbursement margins without the ability to project future payment rates.

This unpredictability of the market makes it difficult to invest to provide access to medications and pharmacy services for our community. St. Charles is proud that we will soon open a full-service community pharmacy in Madras, Oregon. Pharmacy closures in Madras have resulted in a critical community need for pharmacy services. We have partnered with community organizations to cover the costs of opening a new pilot pharmacy. We are calling it a “pilot” because there is no way to predict the future financial sustainability of this pharmacy in the current marketplace.

HB 3212 will provide needed financial sustainability and predictability to the pharmacy marketplace. We believe it will help stabilize pharmacy services in Central Oregon and allow St. Charles to make continued investments to improve patient access to medications and pharmacy services in our community. Please vote “Yes” for HB 3212.



2500 NE Neff Road
Bend, Oregon 97701
541.382.4321
www.stcharleshealthcare.org

St. Charles Health System, headquartered in Bend, owns and operates hospital campuses in Bend, Madras, Prineville and Redmond along with primary and specialty care clinics throughout the Central Oregon region. St. Charles is a private, nonprofit Oregon corporation and is the largest employer in Central Oregon with approximately 5,000 caregivers. We proudly partner with our local medical community to provide a wide variety of health services.

Respectfully submitted,

Kevin Russell, RPh
Director of Ambulatory Pharmacy Services
St. Charles Health System
2500 NE Neff Rd
Bend, Oregon 97701
kerussell@stcharleshealthcare.org