



February 4, 2025

CareOregon Testimony on HB 3212

Chair Nosse, Vice Chairs Javadi and Nelson, and Members of the Committee,

CareOregon is a community non-profit organization serving over 500,000 Oregonians covered by the Oregon Health Plan for 30 years. CareOregon wholly owns two coordinated care organizations (CCOs), Jackson Care Connect and Columbia Pacific CCO. We also are a founding member of Health Share of Oregon, managing an integrated community network and the behavioral health benefit for all Health Share of Oregon members. We also serve statewide through our tribal care coordination benefit. Our mission is to inspire and partner to create quality and equity in individual and community health.

CareOregon is opposed to HB 3212 as currently written. We want to share our perspective on the proposed changes in HB 3212 relating to professional dispensing fees and pharmacy network contracting. We believe these issues need to be carefully considered and their downstream impacts understood as they relate to CCOs' administration of OHP benefits.

Section 1(2)(n) directs the Oregon Health Authority to establish minimum professional dispensing fees to be paid by pharmacy benefit managers (PBMs) to pharmacies as well as requiring PBMs to pay no less than fee-for-service rates for drug cost. While we understand PBMs will be paying the drug ingredient cost and dispensing fees directly to pharmacies, we anticipate the costs to be ultimately paid by CCOs and the capitated rates we receive from the Oregon Health Authority (OHA). Given PBMs are likely to account for the fees as we contract with them, the associated cost increases will be captured in OHA's rate development process. We encourage a thorough fiscal analysis to determine the impacts to OHP.

Section 1(2)(o) requires PBMs to offer the same contract terms, options, and reimbursement to network pharmacies and out-of-network pharmacies. In our role in advancing health system transformation, CareOregon intentionally develops adequate contracted networks through a continual process of balancing access and quality. The network contracting process affords the opportunity to innovate and provide network incentives that promote quality. Unfortunately, requiring PBMs to contract with essentially any willing pharmacy would remove an important tool CareOregon has in managing quality in our networks and the services our members access.

Alternatively, we propose HB 3212 be narrowed to focus on critical access pharmacies and supporting the greatest area of need; the safety net access our members depend on both urban and rural communities. It will also allow the opportunity for all parties to learn the impact and effect of this bill before considering broadening it. Careful consideration will need to be given on the definition of critical access pharmacy to focus on unique pharmacy services and/or time/distance gaps so as to have a consistent approach to the application of the definition.

Sincerely,
Stefan Shearer
Senior Public Policy & Regulatory Affairs Specialist
CareOregon

