



March 27, 2023

[submitted electronically via: rep.nancynathanson@oregonlegislature.gov]

The Honorable Nancy Nathanson
H-279 900 Court St. NE.
Salem, OR 97301

Oregon House Bill 3013 with -2 Amendments – SUPPORT

Dear Representative Nathanson:

The American Pharmacists Association (APhA) supports House Bill (HB) 3013 (Rep. Nathanson) with the HB 3013-2 amendments, which will protect Oregon patients' access to their medications and their trusted healthcare professional, the pharmacist.

APhA is the largest association of pharmacists in the United States advancing the entire pharmacy profession. APhA represents pharmacists in all practice settings, including community pharmacies, hospitals, long-term care facilities, specialty pharmacies, community health centers, physician offices, ambulatory clinics, managed care organizations, hospice settings, and government facilities. Our members strive to improve medication use, advance patient care and enhance public health. In Oregon, with 9,006 licensed pharmacists, APhA represents pharmacists and students that practice in numerous settings and provide care to many of your constituents. As the voice of pharmacy, APhA leads the profession and equips members for their role as the medication expert in team-based, patient-centered care. APhA inspires, innovates, and creates opportunities for members and pharmacists worldwide to optimize medication use and health for all.

As a result of the predatory practices of pharmacy benefit managers (PBMs), patients' access to medications from their local pharmacist across the country has declined¹, taxpayer dollars have been funneled into corporate profits², and generationally owned community pharmacies have been driven out of business.³ Recently, a study found that PBM tactics forced Oregon Medicaid to overpay \$1.9M on a single drug, where PBMs marked up the drug by 800 percent.⁴ Appropriate action is necessary to address the

¹ Rose J, Krishnamoorth R. Why your neighborhood community pharmacy may close. *The Hill*. Available at <https://thehill.com/blogs/congress-blog/healthcare/530477-why-your-neighborhood-community-pharmacy-may-close>

² 3 Axis Advisors. Analysis of PBM Spread Pricing in New York Medicaid Managed Care. Available at <http://www.ncpa.co/pdf/state-advoc/new-york-report.pdf>

³ Callahan C. Mom-and-pop pharmacies struggle to hang on. *Times Union*. Available at <https://www.timesunion.com/hudsonvalley/news/article/Mom-and-pop-pharmacies-struggle-to-hang-on-16187714.php>

⁴ <https://oregonpharmacy.org/2022/10/27/oregon-report/>

misaligned incentives in the PBM industry that prioritize profits over patients. HB 3013 would address many of the underlying issues that result in harm to patients, taxpayers, and pharmacists.

HB 3013 would require licensure of PBMs by the Oregon Department of Consumer and Business Services and importantly creates a system of oversight with a dedicated ombudsperson to oversee if PBMs decide not to follow the requirements included in Oregon statute. This system of accountability from the State of Oregon is vital as PBMs are under similar investigations for ignoring legal requirements in other states.⁵

An important focus of HB 3013 is on maintaining patient access to their lifesaving medications and preserving the pharmacist-patient relationship. This comes from the closing of loopholes that allow PBMs to retroactively impose fees on claims and ensuring reimbursement rates cover necessary pharmacist-provided patient care services. Combined, these measures will prohibit PBM actions that have undermined the pharmacy business model and caused many pharmacies, especially those in racial and ethnic minority communities to close, exacerbating pharmacy deserts already disproportionately affecting these neighborhoods and contributing to health inequities. By aligning reimbursement rates with the Medicaid fee-for-service for all payers, with standardized dispensing fees and ingredient costs, pharmacies will be able to keep their doors open to continue to support patients' access to their medications and pharmacists.

For these reasons, we support HB 3013 with the -2 amendments. If you have any questions or require additional information, please don't hesitate to contact E. Michael Murphy, PharmD, MBA, APhA Advisor for State Government Affairs by email at mmurphy@aphanet.org.

Sincerely,



Michael Baxter
Acting Head of Government Affairs

⁵ Independent Pharmacies Sue Major Pbm Over Illegal Price Discrimination And Below Cost Reimbursements. MR Cuker Law Firm, LLC. Available at <https://www.cukerlaw.com/independent-pharmacies-sue-major-pbm-over-illegal-price-discrimination-and-below-cost-reimbursements/>