



**LEAGUE OF WOMEN VOTERS®
OF OREGON**

The League of Women Voters of Oregon is a 97-year-old grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

April 27, 2017

To: Senate Health Care Committee
Senator Laurie Monnes Anderson, Chair

Re: HB 2388A – Pharmacy Benefit Managers – **Support**

The League of Women Voters has a national position to promote a health care system that provides access to a basic level of quality care for all residents and controls health care costs.

The League listened to discussions in the Health Care Committees in the 2015 Session and noticed that cost control was an issue in the operation of the Pharmacy Benefit Managers (PBMs). The definition of a PBM was a person that contracts with pharmacies on behalf of an insurer, a third party administrator or the Oregon Prescription Drug Program. The purchase of pharmaceuticals from wholesalers appeared to be a good method of cost control, but there have been complaints about excessive costs to pharmacies.

The League supports the supervision by the Department of Consumer and Business Services (DCBS), its role in accepting or denying applications for PBMs, and its role in suspending or revoking a registration. The PBMs must produce accounts, records or files for examination and must comply with the terms of suspension or a consent order from a court. Without supervision, the PBMs could increase prices and limit the options for pharmacies to purchase products and remain solvent businesses. This bill gives the Insurance Division the tools it needs to provide supervision of the middle man in the purchasing system.

The League supports the regulation by DCBS and the Insurance Division.

Thank you for the opportunity to discuss this legislation.

Handwritten signature of Norman Turrill in black ink.

Norman Turrill
LWVOR President

Handwritten signature of Karen Nibler in black ink.

Karen Nibler
LWVOR Policy Coordinator