

TO: House Committee on Health Care

DA: February 5, 2018

RE: HB 4005

Oregonians for Affordable Drug Prices Now Testimony Template for Michael Hall, UNITE HERE Local 8

Hello Honorable Chair Greenlick and Representatives. My name is Michael Hall, and I'm testifying today on behalf of UNITE HERE Local 8, the hospitality workers union of the Northwest. Thank you for this opportunity.

UNITE HERE Local 8 is a union of workers in the service industry. The housekeepers, dishwashers, cooks, bellmen, elevator operators and others in our union are proud to serve tourists, travelers, diners and others in our state.

We are not rich, and the health care benefits we negotiate in collective bargaining agreements with our employers are critical to our wellbeing. But the increasing cost of healthcare is threatening our livelihoods – and the facts are clear: the increasing cost of prescription drugs has, for some time now, been a core driver of overall health care costs.

That's why UNITE HERE Local 8 supports HB 4005, which, by requiring drug companies to disclose the factors that result in significant price increases – and, crucially, by requiring drug companies to provide DCBS with 60 days of advance notice of significant price, which insurers and union trust funds can have access to – has the real potential to change the current, failed prescription drug market.

I want to talk for a moment about my personal experience with prescription drugs. My chronic illness of rheumatoid arthritis requires me to regularly take exceedingly expensive prescription drugs in order for me to live. For five years, I took Enbrel, and then, most recently, for the past seven years, I've taken Humira.

Humira is an extraordinary example of the dysfunctional prescription drug market: [just last month, the New York Times reported that AFTER REBATES, the price of Humira has increased from \\$19,000 a year per patient in 2012 to \\$38,000 a year per patient today.](#) This is an important medication, for which I am grateful – but the increasing cost of this drug is a perfect example of the failed prescription drug market.

When drug companies double the cost of their products – or drive them even higher – workers like me are caught in a bind. The workers in our union – like millions of other Oregonians – can't negotiate with our employers at the drop of a hat for double-digit increases in health

care costs.

The key policy mechanism that would make HB 4005 successful is the advance notice provision: By requiring drug companies to provide 60 days of advance notice of significant price increases to DCBS, health plans would be better able to manage prescription drug benefit budgets, negotiate discounts, change formularies and shop around.

Moreover, requiring advance notice for drug companies simply levels the playing field between drug companies and other health care sectors. The state already requires transparency and disclosure for health plans, hospitals and providers to help control cost increases.

Having 60-day advance notice and disclosure requirements for prescription drug prices helps drug purchasers do a number of things, including:

- Budget for price increases;
- Negotiate larger discounts and rebates;
- Prevent payment for unnecessary drugs;
- Find alternatives to costly drugs; and
- Hold third-party purchasers accountable.

In the past six months, both Nevada and California have adopted bipartisan prescription drug transparency bills. In California, drug manufacturers are already providing 60 days of advance notice!

Please move forward HB 4005, with the advance notice provision. Workers like me are doing our part to bring down health care costs – it's high time for transparency for drug companies, too. Thank you!