



Opposition to HB4156 – House Health Care Committee  
February 7, 2018

Chair Greenlick and members of the Committee, thank you for the opportunity to submit comments in opposition of HB4156, prohibiting carriers offering health benefit plans from making specified changes to prescription drug coverage during plan year.

PacificSource is an independent, not-for-profit health plan based in Oregon. We serve commercial, Medicaid and Medicare lives and administer contracts for Coordinated Care Organizations (CCO) in Central Oregon and the Columbia River Gorge. Following internal review and comment, PacificSource feels this legislation will have a negative impact on members, providers, employers and plans.

**Higher costs:** PacificSource conducts monthly formulary review meetings. The committee meets to review the latest clinical information regarding drugs already available (ie: changes in clinical guidelines, new studies, safety issues, etc.) as well as reviewing newly approved drugs for placement on the formulary. One example of how proposed legislation in HB 4156 would increase costs may be found in the Hep C drug class. Harvoni, Eplclusa, and other Hep C drugs used to cost about \$30,000 per month of treatment. Then Mavyret was approved in August 2017 with a cost of only \$16,000 per month. If this bill was approved, PacificSource would not be able to place Mavyret as a preferred formulary option even though it is equally as safe and efficacious thus placing higher cost burdens on members, health plans/employers, and the overall healthcare system.

**Member confusion:** Since formulary changes would only be allowed when a members' plan year renews, which could be during any month for most commercial group populations, 12 different versions of our formulary would be required. This would be difficult for members to track what formulary applied to them (unless they logged into our website) and virtually impossible for physicians to know since they wouldn't know which version of the formulary would apply to which patient (i.e. providers don't know when members' plans renew).

**Undue burden on health plans:** Since plans would need to maintain at least 12 different versions of the formulary (one for each renewal month), it would cause a huge administrative burden on plans by tying the formulary version member renewal dates. With some members moving between groups and plans mid-year, it would be difficult to determine renewal dates – start when the member moved to the plan or plan's renewal date?

While PacificSource supports policy that provides better health, care and cost to the people and communities we serve, HB 4156 falls short in all of these areas. We urge the House Health Care Committee to oppose this legislation. Thank you for your consideration.

**Michael Becker**  
Vice President of Government Relations  
PacificSource Health Plans