



# Oregon

Theodore R. Kulongoski, Governor

**Oregon Health Fund Board**

1225 Ferry Street SE, 1<sup>st</sup> Floor

Salem, OR 97301

(503) 373-1538

Fax (503) 378-5511

[www.oregon.gov/ohpr/hfb](http://www.oregon.gov/ohpr/hfb)

April 13, 2009

Senator Bill Morrisette, Chair  
Senate Human Services and Rural Health Care Committee  
Oregon State Senate  
900 Court Street, NE  
Salem, OR 97301

Dear Chair Morrisette and Committee Members,

The Oregon Health Fund Board (OHFB) strongly supports SB 735 as practical approach to bolster the effectiveness of the Oregon Prescription Drug Program (OPDP) by expanding the program's purchasing power within state purchasers of health care. As recommended by the Delivery Committee of OHFB, SB 735 gives flexibility to state purchasers of pharmacy benefits, while setting the goal to maximize opportunities for savings through bulk purchasing and group negotiating.

There are many ways to begin to address the escalating costs of health care, and SB 735 is a strategic "best next step" to improve contracting and pharmacy benefit design for a greater number of Oregonians, bringing better value to consumers of health care. It is also designed to level the playing field for those independent pharmacies so critical to communities across rural Oregon through the ability to adjust for regional rate variances.

With pharmaceuticals accounting for eleven percent of total health care spending in Oregon, flexible bulk purchasing arrangements like the OPDP program are essential to reducing the cost of drugs and thus the overall cost of health care. OHFB encourages the passage of SB 735 to improve the OPDP program and bring more value to state purchasers and consumers alike.

Sincerely,

Bill Thorndike, Jr.  
Board Chair

Carol Robinson  
Interim Executive Director

