



## OREGON STATE PHARMACY ASSOCIATION

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September 12, 2025

Shelley Bailey, MBA  
Chair, Oregon Prescription Drug Affordability Board  
Department of Consumer and Business Services  
350 Winter Street NE  
Salem, OR 97309-0405

### **Subject: Legislative Recommendations to Safeguard Oregon's Pharmacies and Patient Care**

Dear Members of the Oregon Prescription Drug Affordability Board,

On behalf of the Oregon State Pharmacy Association, I am writing to submit our unified and urgent recommendations for the policies you should present to the legislature. The current practices of Pharmacy Benefit Managers (PBMs) are jeopardizing patient health and driving community pharmacies to the brink of collapse. These are not merely economic challenges; they are a public health crisis that demands immediate and bold legislative intervention.

Incremental reforms have proven insufficient. The data and our on-the-ground experience confirm that PBMs operate with a fundamental lack of transparency and an inherent conflict of interest that consistently prioritizes corporate profit over patient well-being.

We urge the Board to formally recommend the following legislative actions to protect Oregonians:

- **Eliminate Spread Pricing:** Ban the wasteful and costly practice of spread pricing in all Medicaid and managed care programs. All patients and taxpayers would benefit from this reform, as it would ensure that funds are directed toward healthcare, not hidden PBM profits.
- **Establish a Single, Transparent PBM for Medicaid:** Institute a single, transparent PBM for all Medicaid and managed care patients. This PBM must be selected through a bid process that emphasizes efficiency, reduced taxpayer costs, access for all Oregonians, and maximum transparency.
- **Reform Reimbursement and Fees:** Require that drug cost figures for reimbursement be based on objective, verifiable data sources, not on PBM-owned and managed lists that can be manipulated for profit. PBM fees should be delinked from the price of a drug and instituted as service fees, which would remove the incentive for PBMs to favor high-priced drugs.
- **Mandate 100% Rebate Pass-Through:** Require that PBMs pass 100% of all rebates and discounts back to the payer and patient at the point of sale. This would reduce out-of-pocket costs for patients and ensure that negotiated savings benefit the healthcare system, not PBM shareholders.
- **Establish fiduciary responsibility for PBMs to act in clients' best interests:** A fiduciary duty is a legal and ethical obligation to act in the best interest of another party. For PBMs in Oregon, this would mean they would be legally required to prioritize the financial well-being of the patients, pharmacies, and health plans they serve over their own profits. To protect patients, pharmacies, and the sustainability of Oregon's healthcare system, a bold shift is necessary.

***Leading Pharmacy, Advancing Healthcare***



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- **Restrict formulary practices that prioritize PBM profit over patient care:** While generics are widely used where no alternatives exist, PBMs systematically restrict access to lower-cost alternatives within therapeutic classes in favor of drugs yielding higher rebates. USC research found that **the share of drugs restricted in non-protected classes in Medicare Part D rose from 31.9% in 2011 to 44.4% in 2020**. By 2020, Medicare plan formularies excluded an average of 44.7% of brand-name-only drugs. These restrictions compromise patient care through non-medical switching, prior authorization delays, and step therapy requirements, all designed to maximize PBM rebate revenue rather than optimize patient outcomes.

Oregonians cannot afford to wait for federal reform. We must act now to correct a broken system that is failing our patients and jeopardizing our pharmacies. The recommendations above provide a clear, actionable path to creating a more transparent, equitable, and patient-centered drug supply chain.

We thank you for your commitment to the health of our state and for your consideration of these critical recommendations.

Sincerely,

Brian Mayo  
Executive Director

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