

VIA ELECTRONIC SUBMISSION

April 27, 2026

Oregon Prescription Drug Affordability Board
ATTN: Shelley Bailey, Chair
350 Winter St. NE
Room 410
Salem, OR 97309-0405

RE: Requesting Removal of XELJANZ® (tofacitinib) from Oregon Prescription Drug Affordability Board 2026 Subset List of Prescription Drugs

Dear Chair Bailey and Members of the Oregon Prescription Drug Affordability Board:

Pfizer appreciates the opportunity to submit comments to the Oregon Prescription Drug Affordability Board (the "Board"). As noted in our previous correspondence on February 28, 2024, June 11, 2025 and July 11, 2025, Pfizer maintains significant concerns with ORS 646A.693-697 which we believe takes a narrow view of health care costs and lacks a mechanism to impact health insurance benefit design or PBM practices that control patient access and out-of-pocket costs for medicines.

Pfizer is a research-based, global biopharmaceutical company that applies science and our global resources to bring therapies to people that extend and significantly improve their lives through the discovery, development, and manufacture of medicines and vaccines. Consistent with our responsibility as one of the world's premier innovative biopharmaceutical companies, we collaborate with health care providers, governments, and local communities to support and expand access to life-saving medicines.

We understand that the Board's 2026 subset list¹ of drugs subject to affordability review includes XELJANZ® (tofacitinib). In addition to Pfizer's broader concerns regarding the affordability review structure, any review of XELJANZ® is unlikely to yield substantive value due to two near-term developments. Specifically, the expected imminent patent and data exclusivity expiration and the selection of XELJANZ® for the federal Maximum Fair Price (MFP) process. **For these reasons, Pfizer requests that the Board remove XELJANZ® from the 2026 subset list for affordability review or determine that it does not pose an affordability challenge if the Board proceeds with review.**

OAR 925-200-0010(6) requires the Board to consider, when selecting prescription drugs for a subset list for affordability review, whether a prescription drug has a patent expiration or data exclusivity expiration within 18 months.² **Basic product patent expiration for XELJANZ® occurred in December 2025 and data**

¹ Oregon Prescription Drug Affordability Board, Subset List of Prescription Drugs – 2026 (2026), <https://dfr.oregon.gov/pdab/Documents/Subset-list-prescription-drugs-2026.pdf>.

² 925-200-0010 Selecting Prescription Drugs for Affordability Reviews. Available at: <https://dfr.oregon.gov/pdab/Documents/OAR-925-200-0010.pdf>

exclusivity will expire June 2026. Based on the Board's 2026 affordability review timeline³, which contemplates identifying drugs that may create affordability challenges in November 2026 and publishing a final report in December 2026, XELJANZ® basic patent and data exclusivity **will have already expired.**

In January 2026, the Centers for Medicare and Medicaid Services (CMS) announced the selection of XELJANZ® for an MFP that will go into effect on January 1, 2028.⁴ The Board has repeatedly discussed, and in 2023 voted to exclude,⁵ prescription drugs subject to a federal MFP process in recognition that this materially changes a product's treatment within the supply chain. We respectfully urge the Board to revisit past practice to exclude medicines already subject to federal review and consider whether state action could provide incremental value under these circumstances.

Based on these factors together, we respectfully request the Board to consider what timely, durable impact an affordability review of XELJANZ® could have and urge the Board to remove it from affordability review consideration.

Additionally, we fully appreciate the Board's ongoing contemplation of policy recommendations that seek to evaluate and address the role of other actors across the prescription drug supply chain. Patients' out-of-pocket costs are set by insurance benefit design—including deductibles, copayments, and coinsurance—determined by health plans and pharmacy benefit managers.⁶ Along with determining patients' cost-sharing requirements, PBMs and health plans determine whether patients receive the discounts and rebates they negotiate with pharmaceutical manufacturers.

In 2024, manufacturers paid an estimated \$356 billion in discounts and rebates.⁷ However, unlike other medical services where the patient pays less when their health plan negotiates a better price, very few, if any, patients pay less at the pharmacy counter despite billions of dollars in discounts and rebates paid to PBMs and insurers by manufacturers.⁸ Instead, most manufacturer discounts and rebates are retained by PBMs as profit or are passed to a health plan rather than the patient obtaining the medicine. Recent analyses confirm that, after accounting for rebates and discounts, net prices for brand-name prescription drugs have declined⁹ as other supply chain actors, who do not create or manufacture medicines, retain more than half of their cost.¹⁰

³ Oregon Prescription Drug Affordability Board, PDAB Document Package – March 18, 2026, at 23 (2026), <https://dfr.oregon.gov/pdab/Documents/20260318-PDAB-document-package.pdf>.

⁴ U.S. Centers for Medicare & Medicaid Services (CMS), CMS Announces Selection of Drugs for Third Cycle of Medicare Drug Price Negotiation Program, Including First-Ever Part B Drugs, Press Release (Jan. 27, 2026), <https://www.cms.gov/newsroom/press-releases/cms-announces-selection-drugs-third-cycle-medicare-drug-price-negotiation-program-including-first>.

⁵ Oregon Prescription Drug Affordability Board, Public Meeting (Nov. 15, 2023), segment begins 1:34:45, YouTube (Oregon Division of Financial Regulation channel), <https://www.youtube.com/watch?v=6Gk2182MFZw> (accessed Apr. 13, 2026).

⁶ Kaiser Family Foundation. (2025). Navigating the maze: Patient cost-sharing complexities and consumer protections. <https://www.kff.org/private-insurance/navigating-the-maze-a-look-at-patient-cost-sharing-complexities-and-consumer-protections/>

⁷ Fein, A. (2025, March). The 2025 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers. Drug Channels Institute. <https://drugchannelsinstitute.com/files/2025-PharmacyPBM-DCI-Overview.pdf>

⁸ Peterson-KFF Health System Tracker. (2021, January 13). Price transparency and variation in U.S. health services. <https://www.healthsystemtracker.org/brief/price-transparency-and-variation-in-u-s-health-services/>

⁹ Fein, A. J. (2026, January 7). U.S. brand-name drug prices fell in 2025 as the net pricing drug channel emerges. Drug Channels Institute. <https://www.drugchannels.net/2026/01/us-brand-name-drug-prices-fell-in-2025.html>

¹⁰ Berkeley Research Group (BRG). New Analysis Finds More than Half of Brand Medicine Spending Goes to the Supply Chain, Middlemen and Other Stakeholders. January 7, 2022. <https://www.thinkbrg.com/news/more-than-half-brand-medicine-spending-goes-to-supply-chain-middlemen-other-stakeholders/>

Within only two years, Oregon's PBM data collection underscored and localized the national trend: higher discounts from manufacturers are not translating into increased affordability for patients. Despite a fewer number of PBMs required to report to the state in 2025, reported manufacturer rebates increased by over 31 percent while the share of rebates reaching patients fell sharply. With over \$377 million collected by PBMs in rebates from manufacturers, approximately **one-tenth of one percent was passed to enrollees**, down 80 percent from the prior year's report. The remaining 99.9 percent went to health insurance companies – often vertically integrated into ownership structures that include the PBM – or was directly retained by the PBM.¹¹

Once again, Pfizer appreciates the opportunity to provide comments to the Board. We support efforts to help ensure that patients can access innovative medicines and look forward to working with Oregon policymakers to find solutions that directly help patients. If you have any questions, please contact Donna Kaylor, Director of Government Relations, at Donna.Kaylor@pfizer.com.

Sincerely,



Tom Brownlie
Vice President
State Policy and Government Relations

¹¹ Oregon Department of Consumer and Business Services, Division of Financial Regulation, Pharmacy Benefit Manager Data – 2025 (Drug Price Transparency Report, 2025), <https://dfr.oregon.gov/drugtransparency/Documents/DPT-pbm-data-2025.pdf>.