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January 9, 2026

Oregon Prescription Drug Affordability Board
350 Winter Street NE
Salem, OR 97309-0405
pdab@dcbs.oregon.gov

Re: Oregon Prescription Drug Affordability Board: December 17, 2025, Meeting Materials

Dear Members of the Oregon Prescription Drug Affordability Board:

The Pharmaceutical Research and Manufacturers of America ("PhRMA") is writing in response to the Oregon Prescription Drug Affordability Board's (the "PDAB's" or "Board's") meeting materials for its December 17, 2025, meeting, including the "2025 Annual Report for the Oregon Legislature" ("Annual Report") and "2025 policy recommendations" ("Policy Recommendations") (collectively, the "Meeting Materials").[1] PhRMA represents the country's leading innovative biopharmaceutical research companies, which are focused on developing innovative medicines that transform lives and create a healthier world. Together, we are fighting for solutions to ensure patients can access and afford medicines that prevent, treat, and cure disease. PhRMA member companies have invested more than $850 billion in the search for new treatments and cures over the last decade, supporting nearly five million jobs in the United States.

We provide below select comments and concerns with respect to the Meeting Materials.

I. 2025 Policy Recommendations

PhRMA acknowledges the Board's ongoing efforts to develop and advance policy recommendations to address factors throughout the supply chain that impact patient affordability.[2] As detailed in prior letters, PhRMA supports the Board's recommendations that would delink PBM fees from the price of a drug, increase PBM transparency, and require health insurance companies and pharmacy benefit managers ("PBMs") to pass rebates to patients at the pharmacy counter.[3] PhRMA reiterates our prior comments on the Board's policy recommendations and highlights the following:

- ***PBM reform and transparency.***[4] PhRMA has long advocated for wide-ranging PBM reforms, and we appreciate the Board's work to bring such reforms to Oregon. Delinking PBM fees from drug prices and improving transparency within PBM operations are critical steps toward addressing perverse incentives in the pharmaceutical supply chain, such as those that may cause PBMs to prefer prescription drugs with higher list prices over ones with lower list prices.[5] However, PhRMA urges

[1] Meeting Materials (Dec. 17, 2025), *available at* https://dfr.oregon.gov/pdab/Documents/20251217-PDAB-document-package.pdf. In filing this comment letter, PhRMA reserves all rights to legal arguments with respect to Oregon Senate Bill 844 (2021), as amended by Oregon Senate Bill 192 (2023) and Oregon Senate Bill 289 (2025) (codified at Or. Rev. Stat. § 646A.693 *et seq*.) (collectively, the "PDAB Statute"), and the Board's implementation of the PDAB Statute. PhRMA also incorporates by reference all prior comment letters to the extent applicable. *See, e.g.*, Letter from PhRMA to Board (Nov. 16, 2025).
[2] *See* Meeting Materials at 39.
[3] *See* Letter from PhRMA to Board (Nov. 16, 2025) at 3-5; Letter from PhRMA to Board (Oct. 3, 2025) at 4; Letter from PhRMA to Board (Oct. 6, 2023) at 1-2; Meeting Materials at 39.
[4] Meeting Materials at 39.
[5] *Id.*; Letter from PhRMA to Board (Nov. 16, 2025) at 4.

the Board and the Legislature to consider additional PBM reform measures. For example, efforts to increase transparency into PBM operations should include mandatory reporting on accumulator adjustment and copay maximizer programs implemented by health insurers and PBMs, which contribute to increased patient costs by not counting assistance towards patients' cost sharing requirements, thereby impacting a patient's ability to realize the full benefit of cost-sharing assistance.[6] PBMs should also be required to provide patients with comprehensive, real-time benefits information in an easily accessible and understood format to enable patients to make informed choices based on their individual needs.[7] Additionally, to enhance transparency and predictability for patients, PBMs should be prohibited from implementing mid-year formulary changes.[8]

- ***Drug pricing oversight and affordability mechanisms.***[9] PhRMA supports requiring PBMs to pass rebates directly to patients at the pharmacy counter.[10] As PhRMA has previously explained, patients often do not benefit from the significant discounts, rebates, and other price concessions that manufacturers provide because health insurance companies and their PBMs fail to pass the savings to patients at the point of sale.[11] For example, according to data reported to the Oregon Drug Price Transparency Program, PBMs in Oregon received $377.2 million in rebates, fees, and other payments from manufacturers but passed only $432,204 (0.11 percent) to patients in 2025.[12] This is an 81 percent reduction from 2024.[13] In contrast, $7.7 million was kept by the PBMs as revenue in 2025, an increase of $6.1 million (up 381.46 percent) from 2024.[14] To reduce patients' out-of-pocket costs and improve access to medications, PhRMA supports requiring PBMs to pass rebates directly to patients at the point of sale.[15]

- ***PDAB scope and governance.***[16] PhRMA supports the Board's recommendation to amend the Public Meetings Law (ORS 192.660(4)) to enable the Board to "review trade secret or proprietary information in executive session without media present."[17] PhRMA also recognizes the Board's revised recommendation that would cover the review of proprietary information.[18] However, PhRMA asks that such an amendment apply to the review of other confidential information to enable the Board to comply with its obligations under the PDAB Statute and other state and federal laws.[19]

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[6] *See* Letter from PhRMA to Board (Nov. 16, 2025) at 4; Letter from PhRMA to Board (Jan. 7, 2025) at 5.

[7] *See* Letter from PhRMA to Board (Nov. 16, 2025) at 4. As noted in PhRMA's prior comments, this information should include anticipated out-of-pocket costs, utilization management requirements, and exceptions and appeals processes. *See id.*

[8] *See id.*

[9] Meeting Materials at 39.

[10] *See* Letter from PhRMA to Board (Nov. 16, 2025) at 4.

[11] *See id.*; Letter from PhRMA to Board (Nov. 1, 2024) at 5.

[12] Or. Dep't Of Consumer And Bus. Servs., Oregon Drug Price Transparency Report Pharmacy Benefit Manager Data – 2025, at 8 (Oct. 1, 2025), https://dfr.oregon.gov/drugtransparency/Documents/DPT-pbm-data-2025.pdf.

[13] *Id.*

[14] *Id.*

[15] *See* Letter from PhRMA to Board (Nov. 16, 2025) at 4.

[16] Meeting Materials at 39.

[17] *Id.*; *see* Letter from PhRMA to Board (Nov. 16, 2025) at 4-5; Letter from PhRMA to Board (Nov. 5, 2025) at 1-2; Letter from PhRMA to Board (Oct. 3, 2025) at 1-2.

[18] Meeting Materials at 39.

[19] The PDAB Statute instructs that the Board "shall keep strictly confidential . . . [c]onfidential, proprietary or a trade secret" information. PDAB Statute § 646A.694(7)(b) (emphasis added). *See* Letter from PhRMA to Board (Nov. 16, 2025) at 4-5; Letter from PhRMA to Board (Nov. 5, 2025) at 1-2; Letter from PhRMA to Board (Oct. 3, 2025) at 1-2.

II. 2025 Annual Report for the Oregon Legislature

PhRMA recognizes the Board's efforts to analyze cost and utilization trends found in carrier-reported data and highlights the Board's observation of the "clear and consistent trend" in the data that "increased utilization is the primary driver of rising prescription drug spending."[20] PhRMA also emphasizes the Board's finding that, where spending increases outpace utilization, non-price factors, like formulary design and rebate structures, "contribute to observed trends."[21] However, as explained in prior letters, PhRMA is concerned about the integrity of the data on which the Board relied for its price trend analysis because of discrepancies and variations observed across the data.[22] Reliance on conflicting data undermines the Board's ability to conduct its work in a manner that is "rational, principled, and fair," and creates a risk of comparisons that are inconsistent with the requirements of the Oregon Administrative Procedure Act.[23] We urge the Board to elaborate upon its data analysis process to enable stakeholders to better understand the data.[24] Additionally, we ask that the Board allow stakeholders to review and provide input on the accuracy and completeness of carrier-reported data before the Board draws conclusions from that data.[25]

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On behalf of PhRMA and our member companies, thank you for consideration of our comments. While PhRMA has questions about the Meeting Materials, we continue to stand ready to be a constructive partner in this dialogue. Please contact dmcgrew@phrma.org with any questions.

Sincerely,

Dharia McGrew, PhD
Senior Director, State Policy
Sacramento, CA

Alexandra Hussey
Senior Director, Law
Washington, DC

[20] Meeting Materials at 17 (Oregon's commercial health insurance market), 35 (Oregon's prescription drug market).
[21] *Id.* at 35.
[22] *See id.* at 17-35; Letter from PhRMA to Board (Nov. 16, 2025) at 1-3; *see also* Letter from PhRMA to Board (Sept. 16, 2023) at 2-3. One example of particular concern to PhRMA is that the data points presented in the analysis as 2023 annual spending totals do not match the data set that was used by the Board to determine which drugs to review in 2025. *See* Board, *Data for Drug Reviews, available at* https://dfr.oregon.gov/pdab/Pages/data.aspx (last visited Nov. 13, 2025). *See* Letter from PhRMA to Board (Nov. 16, 2025) at 2.
[23] *See* Ore. Rev. Stat., ch. 183; *Gordon v. Bd. of Parole & Post Prison Supervision,* 343 Or. 618, 633 (2007); Letter from PhRMA to Board (Nov. 16, 2025) at 2; *see also* Letter from PhRMA to Board (Sept. 16, 2023) at 2.
[24] *See* Letter from PhRMA to Board (Nov. 16, 2025) at 2; Letter from PhRMA to Board (Oct. 3, 2025) at 4.
[25] *See, e.g., id.* at 3; Letter from PhRMA to Board (Sept. 16, 2023) at 2-3.