August 18, 2026

Chair Bailey and Members of the Oregon Prescription Drug Advisory Board:

RE: Oregon PDAB Policy Recommendations

Dear Chair Bailey and Members of the Board:

Thank you for the opportunity to provide written comments to the Oregon Prescription Drug Affordability Board (PDAB). I represent Prime Therapeutics (Prime), a pharmacy benefit manager (PBM) owned by 19 not-for-profit Blue Cross and Blue Shield insurers, subsidiaries, or affiliates, including Regence. Prime submits these comments to express significant concerns with several policy concepts discussed at recent PDAB meetings.

Prime helps people get the medicine they need to feel better and live well by managing pharmacy benefits for health plans, employers, and government programs, including Medicare and Medicaid. Prime manages pharmacy claims for more than 30 million people nationally and provides clinical services for individuals with complex medical conditions. Our business model is grounded in transparency, lowest-net-cost drug pricing, and a purpose-driven commitment to improving affordability and access.

Prime recognizes the affordability challenges consumers face at the pharmacy counter and shares PDAB's commitment to protecting Oregonians from high prescription drug costs. Consumer affordability should remain the guiding principle for any policy recommendation advanced by the Board.

PDAB has identified priority policy concepts for inclusion in its 2026 annual report, including a policy domain focused on PBM reform. While these concepts appear intended to reduce patient costs, several fail to address the primary driver of prescription drug affordability: manufacturer-controlled drug prices. Policies that increase pharmacy reimbursement mandates or add new dispensing fee requirements risk increasing costs for Oregon consumers, employers, and health plans without addressing the underlying price of prescription drugs.

The PBM reform and market transparency pillar includes proposals already considered by the Oregon Legislature, including eliminating spread pricing and transitioning to a different reimbursement benchmark, such as NADAC. It also includes concepts already addressed in Oregon law, including PBM transparency reporting and maximum allowable cost appeals. Recommending duplicative or cost-increasing policies would not advance PDAB's mission to protect Oregonians from high prescription drug costs or its directive to provide the Legislature with policy recommendations that improve prescription drug affordability.

In particular, any recommendation to mandate elevated professional dispensing fees should be evaluated against the full impact on premiums, plan costs, employer costs, and consumer affordability. Relevant data include:

- According to the Kaiser Family Foundation, over 40 million prescriptions were dispensed in the state of Oregon during 2019. Any mandated additional dispensing fee amount would be multiplied by 40 million prescriptions.

Prime Therapeutics LLC
2900 Ames Crossing Road, Suite 200
Eagan, MN 55121

PrimeTherapeutics.com
800.858.0723

- According to the Department of Consumer and Business Services (DCBS) 2025 Drug Price Transparency Report:
  - US national health expenditures in 2023 reached $4.9 trillion with 9.2% ($449.7 billion) spent on retail prescription drugs. This represented 11.4% growth on prescription drug expenditures in 2023.
  - PBMs collected more than $377 million in manufacturer payments, with **97.8%** (more than $369 million) being passed to insurers in Oregon.

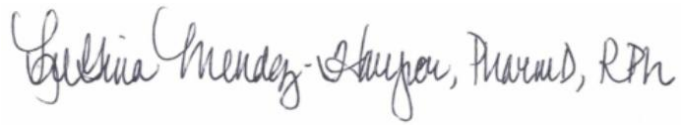
PDAB should also account for the rapidly evolving federal PBM oversight landscape. Recent federal activity, including the Consolidated Appropriations Act, Federal Trade Commission enforcement actions, and CMS and Department of Labor rulemaking, is already reshaping PBM oversight and addressing many of the same issues reflected in the Board's policy concepts. Oregon should avoid advancing recommendations that duplicate or conflict with federal requirements or impose additional costs without demonstrated consumer benefit.

Prime strongly supports an evidence-based evaluation process that measures proposals against quantifiable outcomes, not assumed benefits. Any policy recommendation should include a comprehensive assessment of total consumer impact, including pharmacy counter costs, premiums, employer costs, and overall health care spending. A narrow focus on point-of-sale costs alone will not fully address prescription drug affordability challenges and may unintentionally shift or increase costs elsewhere in the system.

In closing, Prime urges PDAB to advance policy recommendations that directly address the root causes of high prescription drug prices, avoid duplicative regulation, and protect consumers from cost-shifting. Prime remains committed to working collaboratively with the Board, legislators, and stakeholders on solutions that meaningfully improve prescription drug affordability for Oregonians.

Thank you for your time and consideration.

Respectfully,



LuGina Mendez-Harper, PharmD, RPh
Pharmacist, State Government Affairs Principal
Prime Therapeutics

Prime Therapeutics LLC
2900 Ames Crossing Road, Suite 200
Eagan, MN 55121

primetherapeutics.com
800.858.0723

