



Zeke Smith, Chair
Oregon Health Authority
500 Summer St. NE
Salem, OR 97301

September 26, 2018

Dear Chair Smith and Members of the Oregon Health Policy Board:

We would like to start by thanking the Oregon Health Policy Board (OHPB) for your collaborative efforts in guiding stakeholders through the CCO 2.0 policy process. It is in that spirit of partnership that the CCO Oregon Pharmacy workgroup presents this comment on the single or aligned preferred drug list (PDL) recommendations presented by Myers & Stauffer at the August 7, 2018 OHPB meeting.

The recommendations in the Myers & Stauffer report titled "Evaluation of a Single or Aligned Preferred Drug List" should not be implemented for the following reasons:

- 1) Any changes that directly affect current CCOs' pharmacy programs require that CCOs have a meaningful seat at the table in making these decisions.
- 2) Recommendations of this magnitude need to have a clear process for discussion between stakeholders. CCOs have not been given significant opportunity to inform the OHPB of the risks inherent in the current proposal.
- 3) As written, the Myers & Stauffer recommendations not only leave CCOs out of the decision process, they also sideline the State's subject matter expertise in ongoing pharmacy management.
- 4) CCOs provide specific strengths given their local expertise that should be preserved to help ensure appropriate care and cost containment.

Finally, we believe that the most appropriate solution to this problem is to align financial incentives by passing any federal rebates through to each CCO so that the state's lowest net cost drug is also the CCO's lowest net cost drug. Without this step, there will be budgetary misalignment that will cripple the CCO's ability to contain costs. Aligning financial incentives addresses the root cause of the problem while still preserving the value associated with CCO formularies and utilization management autonomy.

Again, we appreciate the leadership that the OHPB has taken with the CCO 2.0 process. We encourage your consideration on this important matter as you weigh CCO 2.0 policy options and related recommendations.

Thank you,

Amy Burns, PharmD, BCPS - AllCare Health CCO
Jim Slater, PharmD - CareOregon

CCO Oregon Pharmacy Workgroup Co-Chairs