

Representative Susan Manchester  
Sponsor Testimony: House Bill 482  
February 11, 2020

Good morning Chairman Lipps, Vice Chairman Manning, Ranking Member Boyd, and Members of the Committee. Thank you for the opportunity to testify in support of House Bill 482, which prohibits a pharmacy benefit manager from taking certain actions with respect to reimbursements made to health care providers that participate in the federal 340B Drug Pricing Program. This legislation is supported by numerous organizations including the Ohio Association of Community Health Centers.

The goal of House Bill 482 is to protect all 340B providers from discriminatory contracts by PBMs. 340B providers, as defined in the 340B Drug Pricing Program enacted by Congress in 1992, include federally qualified health centers and other providers serving low-income patients. The 340B Drug Pricing Program allows these providers to receive certain outpatient drugs at a discount. The savings that result from the program are used to care for the underserved by extending hours of operation or by offering additional services such as dental, vision, or mental health.

PBMs are reducing reimbursements or imposing fees through discriminatory contracts against 340B providers to absorb all or part of their savings. House Bill 482 prohibits this practice, ensuring the savings are going to the 340B providers as intended so they are able to offer access to affordable and comprehensive care. We cannot allow PBMs to continue discriminating against them just because of their status as a 340B provider.

I am grateful to Representative Clites for her partnership on this important legislation and look forward to answering any questions later on. Thank you.