**Sponsor Testimony- House Bill 482**

**House Health Committee**

**February 13, 2020**

Chairman Lipps, Vice-Chair Manning, Ranking Member Boyd, and the members of the House Health Committee, thank you for the opportunity to provide sponsor testimony on House Bill 482. This legislation would protect the intent of the federal 340B Drug Pricing Program and ensure the revenue remains at the local level to help underserved patients.

So many Ohioans rely on the over 3,000 340B covered entities in the state for their healthcare and well-being. Places like community health centers, hemophilia treatment centers, hospitals, and Ryan White clinics provide care to the uninsured, underinsured, and those with high-cost healthcare needs that would not be available otherwise. We are seeing a trend in Ohio that health insurance companies and their contracted Pharmacy Benefit Managers (PBMs) are not providing access to 340B programs either by excluding 340B covered entities from health plan coverage or by implementing additional fees or lowered reimbursements for 340B providers.

These discriminatory practices place a large burden on patients and results in inflated drug prices and causes significant financial strain on community health centers. For those who can access 340B discounted rates and also have employer sponsored insurance, the price of the drugs can be significantly lower to both the plan and the patient. When patients are paying our deductible, co-insurance, and co-pays off of inflated retail prices outside of the use of the 340B program, especially in the specialty pharmacy space, their out of pocket costs are much higher. Over the years, I’ve seen first-hand Pharmacy Benefit Manager’s charging 30-60% more than the prices available from a 340B provider. We all talk about providing low cost prescription drugs to patients, this is an example of the simplest way to do so. If a patient has met the guidelines set by the federal government to qualify as a 340B program recipient through an eligible entity, then that patient shouldn’t have their insurance company or their PBM in Ohio denying them access to the discounted drug rates.

Most 340B programs are local healthcare organizations and hire local healthcare professionals. The revenues generated by the 340B discounted rates stay with the local 340B program, providing wrap-around services and innovative programs to increase of the quality of life of the patients they serve, instead of revenues going to out-of-state pharmacy benefit managers. Wrap-around services such as dental care, access to social workers and education outreach nurses improve patient outcomes and quality of life as well as keep down health care costs including hospital admissions.

Simply put these bills will provide patients access to these programs when they are available to the patient and the patient wants to access them. When a patient becomes educated about high cost drugs or has a plan with a high deductible, providing access to a 340B program allows them to stretch their out of pocket dollars. It’s a win-win for payers and patients.

We cannot stand by and allow money intended to provide care for the underserved be diverted through discriminatory contracts. I would like to thank Representative Manchester for being my Joint Sponsor on this bill, we would be happy to take any questions.