

Senate Bill 263
Senate Finance Committee
Proponent Testimony
November 10, 2020

Chairman Dolan, Vice Chair Burke, Ranking Member Sykes and members of the Senate Finance Committee, thank you for the opportunity to provide written proponent testimony on Senate Bill 263.

Belmont, Harrison &
Monroe Counties
St. Clairsville
68353 Bannock Road
St. Clairsville, OH 43950
740.695.9344

Carroll County
Carrollton
783 Jones Avenue
Carrollton, OH 44615
330.627.3954

Delaware County
Delaware Commerce Park
824 Bowtown Road
Delaware, OH 43015
740.695.7795

Franklin County
Clintonville
3770 N. High Street
Columbus, OH 43214
614.294.7117

Downtown Columbus
16 W. Long Street
Columbus, OH 43215
614.225.0990

Franklinton
524 B W. Broad Street
Columbus, OH 43215
614.224.4850

Friends of the Homeless
924 E. Main Street
Columbus, Ohio 43205
614.360.0251

Merion Village
1455 S. 4th Street
Columbus, OH 43207
614.444.0800

Morrow County
The Meadow Center
950 Meadow Drive, Suite A
Mt. Gilead, OH 43338
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Tuscarawas County
New Philadelphia
344 West High Avenue
New Philadelphia, OH 44663
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Southeast Healthcare is a comprehensive provider of community mental health, primary care, dental, alcohol and drug, vocational, housing and homeless services in eight counties of Ohio, including Belmont, Carroll, Delaware, Franklin, Harrison, Monroe, Morrow, Tuscarawas counties. Southeast provides primary care as a Federally Qualified Health Center (FQHC) in Franklin, Belmont, and Harrison counties. Altogether, Southeast serves over 15,000 Ohioans, many among our state's most vulnerable populations.

As an FQHC, Southeast participates in the federal 340B Drug Pricing Program. This program requires pharmaceutical manufacturers to provide discounts on certain pharmaceutical drugs. The discounts allow FQHCs to stretch their limited resources further providing more care to those that need it most. It is important to note that the 340B program does not expend tax dollars and in fact, because individuals are receiving more primary and preventative care, reduces strain on our health care system. For example, individuals who are receiving proper care from an FQHC and taking their medications instead of using unnecessary visits to hospital emergency rooms helps keep healthcare costs lower. More importantly, these patients have better healthcare outcomes.

As you likely know from substantial media coverage on the subject, pharmacy benefit managers (PBM) are imposing additional costs or reducing reimbursements to entities that participate in the 340B program. Without the discounts provided to 340B participants, FQHCs will struggle to find the resources necessary to continue their missions. If this practice continues unchecked health centers that rely on 340B may need to make difficult decisions about the services offered. Reduced services, or worst case a closure, especially in areas of the state where an FQHC is the only provider, could be catastrophic.

Southeast utilizes savings from 340B discounts to provide services to the vulnerable patients we serve. For example, we work extensively with homeless individuals. We can offer primary care, mental and behavioral health care, dental, and so much more. Helping a person who has become homeless receive the healthcare they need gives them a chance at a better life. It's the helping hand that sets them on a new path forward.

Senate Bill 263 prohibits PBMs from imposing fees and reducing reimbursements through discriminatory contracts against 340B providers to absorb all or part of the savings from the program. These discounts are for expanding healthcare services and not for expanding profits. The legislation upholds the intent of the 340B program – ensuring adequate access to healthcare for those most in need.

We urge the members of the Senate Finance Committee to support Senate Bill 263.