

**Senate Finance Committee
Testimony on Senate Bill 263
November 17, 2020**

Chairman Dolan, Ranking Member Sykes and Members of the Senate Finance Committee, my name is Thomas E. Andrews, and I am the CEO of the Community Action Agency of Columbiana County, which includes the CAA Health, Behavioral Health and Dental Centers. Thank you for the opportunity to provide proponent testimony on Senate Bill 263.

Community Action Agency of Columbiana County is a private, non-profit corporation in central eastern Appalachian Ohio. Our organization is composed of thirteen Head Start Centers, various Community Service Programs, CARTS (Community Action Rural Transit System), and Health, Behavioral Health, and Dental Centers.

Our federally qualified Health, Behavioral Health, and Dental Centers are located in five buildings in the geographical areas of Lisbon, Salinville, and East Liverpool, Ohio. In 2019 our Health Centers provided 41,359 visits to over 10,000 patients, 8315 of them with incomes below 200% of poverty. We assisted 2417 uninsured patients with treatment, served 128 homeless patients, and provided 1393 vaccines and immunizations to our patients. Our Dental Centers conducted 2551 oral exams, with 1449 restorative services and over 600 oral surgeries. Our Behavioral Health Centers provided mental health services to 5793 patients.

Community Health Centers are eligible for the federal 340B Drug Pricing Program. Established in 1992 by Congress, the 340B Drug Pricing Program provides certain safety net providers, referred to as covered entities, access to prescription drugs at reduced prices. Drug Manufacturers participating in Medicaid/Medicare are required to provide outpatient drugs to 340B covered entities at significantly reduced prices. When creating the Program in 1992, Congress stated it intended eligible safety net providers to use the savings to “to stretch scarce Federal resources as far as possible, reaching eligible patients and providing more comprehensive services.”

By purchasing medications at a lower cost, covered entities pass the savings along to their patients through reduced drug prices, and can then use any additional savings to support their mission to expand access to services, and improve health outcomes with their patients, and for their communities.

The 340B Drug Pricing Program has provided our Health Centers with an affordable option for necessary medications for our patients. It has enabled our clinics to keep medication costs to a minimum and helped our clients in following their medication and healthcare regimens. With the funds we are able to save using the 340B Drug Pricing Program, we are able to redistribute savings back into our health and dental clinics and assist more clients in the rural Appalachian community. For example, we were able to utilize some of our savings to upgrade and expand our Health and Dental Centers to meet the needs of the disadvantaged population of Columbiana County. Because of the poverty-stricken area that we serve, and our limited funding as a non-profit agency, it is of paramount importance that we are able to acquire medications at an affordable cost to provide to our patients. Additionally, due to Covid-19, our staff and resources have been stretched to the limit with extra funding needed for PPE and medical supplies, further emphasizing the importance of the 340B savings to our Centers.

Pharmacy Benefit Managers (PBMs) are targeting 340B providers with discriminatory contracts that are essentially “pick-pocketing” the 340B savings from covered entities to enhance their profit margins.

SB 263 prohibits the predatory practice of imposing fees and/or reducing reimbursement to Ohio 340B providers - simply because they are a 340B provider and payers know there is a margin of savings to target. The bill protects the intent of the 340B Program by ensuring these savings are directed to our most vulnerable – the patients of CAA Health, Behavioral Health and Dental Centers and all of the other Community Health Centers across Ohio serve - and not PBMs.

Thank you for your time and favorable consideration for SB 263.

Sincerely,



Thomas E. Andrews

CEO, Community Action Agency of Columbiana County

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