



OACHC
Ohio Association of Community Health Centers

**Ohio Association of Community Health Centers
House Insurance Committee
Testimony on House Bill 276
June 17, 2025**

Chairman Lampton, Vice Chair Craig, Ranking Member Tims, and Members of the House Insurance Committee, thank you for the opportunity to provide testimony today in strong support of House Bill 276, the Ohio 340B Pharmacy Access Act. My name is Julie DiRossi-King, and I have the honor of serving as President and CEO of the Ohio Association of Community Health Centers (OACHC).

Ohio's Federally Qualified Health Centers (FQHCs) and Look-Alikes—also known as Community Health Centers (CHC), comprise the largest primary care network in the state. Together, our 60 health center organizations operate more than 550 care delivery sites across 76 of Ohio's 88 counties, and we serve nearly one million patients each year, including individuals from all 88 counties. These are non-profit, community-based providers governed by patient-majority boards and committed to delivering integrated, whole-person care—including medical, dental, behavioral health, pharmacy, and vision services—regardless of a patient's insurance status.

A cornerstone of this mission is the 340B Drug Pricing Program, created by Congress in 1992. The program requires pharmaceutical manufacturers to offer discounted outpatient medications to certain safety-net providers—called “covered entities”—as a condition of their drugs being listed and covered under Medicaid and Medicare. In return, covered entities reinvest the savings to stretch scarce federal resources and expand care for medically underserved populations.

Community Health Centers are exactly the type of provider Congress had in mind when it enacted the 340B program. Under federal law, CHCs are required to reinvest 100% of their 340B savings back into patient care. These savings support vital services such as:

- Ensuring affordable access to necessary medications;
- Expanding access to dental and substance use disorder treatment;
- Offering extended hours to accommodate working families;
- Supporting chronic disease management programs for diabetes, asthma, and hypertension to name a few; and
- Funding services not reimbursed by insurance, but critical to patient well-being, like care management and Food is Medicine initiatives.

However, the stability and integrity of this program are now under attack. Since 2020, more than 35 drug manufacturers have imposed restrictions on the 340B program—actions that undermine the law and hurt patients. Many now choose to refuse to ship 340B drugs to contract pharmacy partners, or impose arbitrary limits such as requiring a CHC to choose just one pharmacy for its entire organization—even when that CHC serves dozens of sites across multiple counties. For example, Muskingum Valley Health Centers serves patients across four counties (Coshocton, Guernsey, Morgan,

and Muskingum Counties in southeastern Ohio), covering more than 2,100 square miles. Imposing restrictions on contract pharmacies in such a geographically vast and rural service area creates serious barriers to care.

CHCs partner with a diverse network of pharmacies—from large retail chains to locally owned “mom and pop” operations—to meet patients where they are. Approximately 100 of the 550 Ohio Health Center delivery sites operates a pharmacy in-house. Thus contract pharmacies are often the only accessible option for rural and underserved patients. When forced to limit partnerships to a single pharmacy location, patients are pushed to travel farther, go without medication, or receive a less effective alternative medication than prescribed by their provider — none of which is good for the patient.

Worse still, these restrictions have devastating financial consequences for CHCs. They are stripping away the very savings that make comprehensive, community-based care possible. The impact is not hypothetical, it is real, and it is already being felt whether it be sites closing, services redacted, even lay-offs which all leads to less access to the right kind of care, in the right location, and in the most effective setting. You will hear from some CHCs today about these impacts.

House Bill 276 is a narrowly tailored, commonsense measure that addresses a critical and urgent need. It simply prohibits drug manufacturers from imposing discriminatory restrictions on the shipment or delivery of medications solely because a provider is a 340B grantee. This legislation protects the original intent of 340B—ensuring affordable access to care for underserved patients—without creating any new cost to the state or taxpayers.

While 340B is a federal program, and we welcome a national conversation and long-term federal solution, CHCs cannot afford to wait. States have clear authority to regulate the delivery and distribution of medications, and HB 276 is firmly within that purview.

Ohio is not alone in facing these challenges—but we are falling behind. More than 20 states have already enacted similar protections, and a dozen more are actively pursuing legislation. HB 276 ensures Ohio keeps pace with this growing bipartisan movement to defend access to affordable medications and preserve the safety-net care model that 340B makes possible.

Having worked on this issue since the last General Assembly, we understand some confusion persists, please allow me to address several common misconceptions:

Claim: Manufacturers need more audit authority.

Fact: Manufacturers already have audit rights—and many actively use them.

Claim: Restrictions are meant to target large entities, not CHCs.

Fact: Many manufacturers impose blanket restrictions, and about half specifically include CHCs. This is a choice made by each individual manufacturer – they all have a choice. We would not be here today if the manufacturers did the right thing across the board and excluded grantees like Community Health Centers. On behalf of our member Health Centers and the patients they so well serve, we applaud the manufacturers that choose not including Community Health Centers in these delivery restrictions. The version of HB 276 introduced in this Committee focuses exclusively on grantees, including CHCs, Ryan White clinics, and other grantee types; and excludes non-grantees (hospitals etc.)

Claim: Stakeholders want more transparency on how savings are used.

Fact: CHCs are required by the federal government to report to HRSA through both annual data submissions and audits, demonstrating that 340B savings are reinvested to support their federally mandated mission.

Claim: There are concerns about duplicate discounts.

Fact: Safeguards already exist, but improvements are welcome. OACHC is actively working with the Ohio Department of Medicaid and has engaged FQHC 340B Compliance, LLC to explore proven strategies from other states that strengthen compliance, ensure transparency, and protect access—all without creating undue burdens on CHCs or the state of Ohio.

Let me emphasize: HB 276 is not a referendum on the broader 340B program. It is focused solely on preserving the delivery of medications to patients through a long-standing, community-based pharmacy network. It protects patient access, supports provider sustainability, and costs the state nothing. In fact, there are no tax dollars involved in 340B – it is a partnership, or a deal made between the federal government and the drug manufacturers to offer discounted drug pricing in exchange for the manufacturers' products and drugs to be on the Medicaid and Medicare drug formularies.

As Ohio grapples with increasing healthcare demands, rising costs, and workforce shortages, we cannot allow profit-driven interests to dismantle critical programs that work. Community Health Centers are doing exactly what Congress intended and what the Ohio General Assembly expects through 340B—and HB 276 ensures Community Health Centers can continue to do so. We are grateful to Representatives John and Holmes for championing this legislation and standing up for the patients and communities we serve. On behalf of Ohio's Community Health Centers, I respectfully urge your support.

Thank you for your time and thoughtful consideration. I welcome any questions you may have.