



**BEFORE THE HOUSE INSURANCE COMMITTEE
REPRESENTATIVE BRIAN LAMPTON, CHAIRMAN**

HOUSE BILL 246 OPPONENT TESTIMONY

**TESTIMONY
OF
JAMES LEE
DIRECTOR OF PUBLIC POLICY**

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Chairman Lampton, Vice Chairman Craig, Ranking Member Hall, and members of the House Insurance Committee, thank you for the opportunity to provide the perspective of Ohio's employers and manufacturing sector on House Bill 276.

The Ohio Manufacturers' Association represents nearly 1,300 member companies across the state. Founded in 1910, the OMA has existed with the sole purpose of advancing its mission—to protect and grow Ohio's manufacturing industry. Our member companies, ranging from large enterprises to small and mid-sized businesses, contribute nearly \$133 billion to Ohio's GDP, far outweighing that of any other industry sector, while employing 700,000 Ohioans. Our association appreciates the Committee's dedication to improving healthcare access in our state.

I. The Problem with Program Expansion

While we respect the intent behind the federal 340B Drug Pricing Program—to assist uninsured and low-income patients in accessing affordable, life-saving medications—the program has significantly outgrown its original charitable scope. Our primary concern is that legislative efforts like House Bill 276, which propose to expand the program further, will exacerbate existing issues of rising healthcare costs for Ohio's working families and employers without guaranteeing increased benefits for vulnerable patients.

II. The Burden on Ohio Businesses and Employees

Our members, particularly small and mid-sized manufacturers across Ohio, are already struggling under persistently rising healthcare costs. These costs directly impact business profitability and limit their ability to invest in hiring, capital improvements, and wage increases.

The 340B program, in its current opaque form, is contributing directly to this burden. A study conducted by IQVIA, a prominent health industry consulting firm, estimated that the current structure of the 340B program results in **an additional 275 million in annual costs** borne by Ohio employers. Expanding a program that already imposes such a significant, hidden tax on our businesses is simply untenable.

III. A Lack of Accountability and Patient Benefit

Compounding the cost issue is the severe lack of transparency regarding how the program's substantial savings are utilized. When drug discounts are not clearly traceable, the program risks benefiting large hospital systems and Pharmacy Benefit Managers (PBMs) more than the patients it was created to serve.

A recent study from the non-partisan **Congressional Budget Office (CBO)** has reported that there is no evidence suggesting the savings generated by the 340B program are reliably passed on to patients.

Without transparent accounting, we cannot verify that the massive discounts are being reinvested in the community or patient care, leaving Ohio businesses paying higher costs for insurance premiums that subsidize an unaccountable system.

IV. Recommendation: Prioritize Transparency Over Expansion

Before implementing sweeping changes that expand the 340B program, the OMA urges this Committee and the General Assembly to prioritize transparency and accountability. We recommend a pause on expansion legislation like H.B. 276 until fundamental questions about the program's operation in Ohio are answered.

Ohio should look to models successfully implemented in other states, such as Indiana, which recently passed legislation to require more visibility into how 340B dollars are being spent. We must gather the essential data—understanding exactly where the money goes, who benefits, and how the program impacts premium costs for our businesses—to ensure that every healthcare dollar serves Ohioans wisely.

Conclusion

The Ohio Manufacturers' Association must oppose House Bill 276 in its current form because it proposes expansion before accountability, paving the way for potential abuse and increased healthcare costs on employers.

We urge the Committee to instead focus its efforts on developing robust transparency measures that protect vulnerable patients while safeguarding the economic health and competitiveness of Ohio's business community.

Thank you for your time and consideration of this critical issue. I am available to answer any questions you may have.