

**STATEMENT OF THE OHIO HEALTH POLICY ALLIANCE
IN OPPOSITION TO HOUSE BILL 276**

Before the House Insurance Committee
Representative Brian Lampton, Chair

Chairman Lampton, Vice Chair Craig, Ranking Member Hall, and members of the House Insurance Committee. Thank you for the opportunity to present opponent testimony on behalf of the Ohio Health Policy Alliance.

My name is Robert V. Miller. I am here to lend my voice to Ohio employers and the citizens of our state who are concerned about the rising cost of health care. I hold a PhD in the social sciences from Penn State and a Masters in Health Administration from the University of Cincinnati. I have a deep understanding of the health care field and have written and published numerous studies on health care topics.

House Bill 276 proponents will tell you that its purpose is to protect and help fund Ohio's Federally Qualified Health Centers (FQHCs). While that is well-intentioned, this bill does not address the complexities of 340B, the incredible abuses of 340B, and the lack of expected, badly needed benefits to thousands of our most needy citizens.

Importance of Ohio's FQHCs

To be clear, we are supportive of FQHCs. Without question, these centers are vital in both the urban and rural landscapes of Ohio where many residents have limited health care access and often encounter barriers when trying to find affordable and culturally appropriate care. FQHCs use and deserve the benefits of 340B as originally intended by the 340B Drug Pricing Program of 1992 that allows certain clinics and hospitals to purchase outpatient drugs at reduced prices for their low-income and uninsured patient populations. Unfortunately, the 340B statute does not specify how covered entities must use 340B revenue and whether this revenue should directly benefit patients. Adding to this problem is lack of transparency and reporting requirements that raises serious integrity concerns (Mulligan, 2021).

Abuses of 340B

While the federal 340B program was designed to help FQHCs stretch scarce resources and provide more comprehensive services, especially for the most vulnerable patient populations, there is growing proof that the 340B program fails in this mission. For instance, a 2021 study found no evidence that providers entering the 340B program expanded care for underserved populations any more than entities outside the program (Desai & McWilliams). Instead,

covered entities and specialty pharmacies often unfairly profit from 340B discounts, with little or no benefit to patients. In addition, these abuses have caused the cost of health care to rise for all Ohioans.

In late 2023, Senator Bill Cassidy, Chairman of the U.S. Senate Committee on Health, Education, Labor, and Pensions investigated the 340B Program at several FQHCs. He concluded that transparency is needed to “provide a more transparent link between program savings and patient benefit” (Cassidy, 2025, p. 38).

Navigating the complexities of 340B requires a deep understanding of its intricacies and potential pitfalls. Eligibility criteria, documentation requirements, rebate exclusions, contract terms, and the processes to secure 340B pricing are all riddled with ambiguities. While the program offers significant cost savings opportunities for qualifying covered entities (including community health centers), it also poses challenges and limited benefits for commercial employers and millions of Ohio citizens. For instance, in 2024 alone, 340B discount programs increased the cost of pharmacy services in employer-sponsored health plans by \$5.2 Billion (Sun et al., 2024). Even worse, the 340B program enables covered entities to make more money by selling higher-priced branded therapies over lower cost, readily available, biosimilars or generics.

In summary, the 340B program is no longer a small, targeted program meant as a lifeline for FQHCs. Instead, it has grown into a massive financial opportunity for health care providers, driving up costs systemwide without any meaningful benefit to the vulnerable communities it was intended to serve.

Recommendation

We strongly urge your committee to pause any legislation on 340B until the Ohio Legislature fully studies its impact on all Ohioans and the thousands of Ohio employers who pay over 60% of health care costs. At minimum, the state should require greater transparency from covered entities to ensure 340B dollars are used as the program intended, which is to reach vulnerable patients. Ultimately, we believe 340B’s flaws should be addressed at the federal level, but in the meantime, Ohio should not take steps that risk deepening the program’s unintended consequences.

Thank you for the opportunity to appear before you today. I am happy to answer any questions you may have.

References

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