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**Senate Health Committee  
Senate Bill 198 – Sponsor Testimony  
Wednesday, October 1st, 2025**

Chairman Huffman, Vice Chair Johnson, Ranking Member Liston, and members of the Senate Health Committee, thank you for allowing me to present Senate Bill 198 for your consideration and discussion today.

In 1992, Congress created the 340B Drug Pricing Program to protect against high-cost drugs for safety-net providers. Safety-net providers provide medical services to patients regardless of their ability to pay. The 340B program allows eligible safety-net providers such as federally qualified health centers (often referred to as FQHCs or Community Health Centers (CHSs)), HIV/AIDS programs, and specialized clinics to purchase drugs from manufacturers at a discounted price. Drug manufacturers voluntarily opt-in to the program to participate in the Medicaid and Medicare formularies in exchange for selling outpatient drugs at a discount to certain hospitals and other health care providers.

Under the 340B program, safety-net providers are required to use their savings to reinvest in other patient services such as behavioral health, dental care, transportation, and community initiatives. These benefits are crucial to allow our most vulnerable Ohioans to live healthier and remove barriers to address their health concerns.

Rural Ohioans experience increasing challenges to access medications with the closure of independent mom and pop pharmacies. The 340B program allows covered entities to partner with contract pharmacies to expand access to their patients who live far away from their health center. Additionally, not all FQHCs have an in-house pharmacy for patients to receive their drugs, making it more difficult for patients to receive their medications.

Under the Affordable Care Act (ACA), the 340B program, created almost 20 years earlier, was expanded to eligible hospitals which effectively inflated the program. In response to including hospitals, the pharmaceutical manufactures have been placing restrictions that include the community health centers (often referred to as Original Grantees) to prevent their discounted prices in the 340B program. Thirty-seven pharmaceutical manufacturers have placed restrictions

that require FQHCs to submit patient claims level data, and limiting how many contract pharmacies will receive said drugs.

The pharmaceutical companies will tell you that this is a federal issue that needs correcting. While I don't disagree with that sentiment, we cannot sit idly by and allow our most vulnerable Ohioans to be kept from accessing drugs at their discounted price.

It is within the jurisdiction of the state to regulate distribution and delivery of the 340B program. Similar legislation has been enacted by 20 other states. This version differs by excluding hospitals, the biggest bloat on the 340B program. Pharmaceutical companies often stress that we need to return the intent of the program back to our safety net providers, and that is exactly what this legislation would do.

Additionally, you may hear from opponents the need for more transparency, HB 96 included a provision that would require 340B covered entities to provide an annual report to DOH that contains information on total payments made to contract pharmacies and third-party administrators and include how many prescriptions are filled at each contract pharmacy. This is on top of reporting and audit requirements CHCs must adhere to by the federal government.

I also want to make the committee aware that we will be asking to amend SB 198. The amendment is a technical amendment that clarifies this bill also protects the original grantees' contract pharmacies, rather than just their in-house pharmacies.

Mr. Chairman and members of this committee, I ask you to consider SB 198 so that we may assist our community health centers in helping our neediest citizens in Ohio. Thank you for allowing me to testify and I will gladly answer any questions.