

**Senate Finance Committee  
Proponent Testimony on Senate Bill 263  
December 8, 2020**

Chairman Lipps, Ranking Member Boyd and Members of the House Health Committee, I am Charleta B. Tavares, and I am the Chief Executive Officer of PrimaryOne Health. Thank you for the opportunity to provide proponent testimony on Senate Bill 263.

Federally Qualified Health Centers (FQHCs), also known as 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 are required to use any additional savings to support their mission to expand access to services, and improve health outcomes for their patients and their communities.

PrimaryOne Health has served low, marginally-incomed and vulnerable residents of Columbus and Franklin County, Ohio since 1997. PrimaryOne Health is a community health center (CHC) and is the oldest and largest CHC system in central Ohio. PrimaryOne Health operates twelve (12) health center sites in the medically underserved neighborhoods of Columbus, Ohio/Franklin County and one (1) rural health center site in Pickaway County. In 2019, PrimaryOne Health provided over 175,000 visits to 48,040 unique patients, a growth of approximately 13,000 patients or 36% since 2014. PrimaryOne Health provides integrated, comprehensive, affordable healthcare services to those in need. Services include Primary Care, Adult Medicine, integrated Behavioral Health, Substance Use Disorder, Obstetrics & Gynecology, Pediatric, Dental, Vision, Clinical Pharmacy, Nutrition, and Physical Therapy services.

While PrimaryOne Health’s services are open and available to all, PrimaryOne Health **targets services towards those who are low-income, those who lack affordable access to care, and/or those who are underserved by the safety net providers in their community including homeless and public housing residents.** PrimaryOne Health provides healthcare services to more than 15,000 patients (32%) whose income is 100% and below the poverty level and more than 16,000 patients (34%) who are uninsured.

PrimaryOne Health provides discounted medication pricing to all uninsured patients with incomes at 200% or less of the Federal Poverty Level. **Without the 340B program, we would not be able to serve our patients in this manner.** You can find coverage of the great impact this program has for our patients by watching this short news clip about one of our 340B patient’s stories: <https://abc6onyourside.com/news/local/program-designed-to-help-central-ohioans-get-affordable-prescriptions>. **PrimaryOne Health uses the remaining 340B savings to expand access to the following services that we would otherwise not be able to provide or only in limited capacity:** substance use disorder & addiction services, language assistance/interpreter services, physical therapy, dental, clinical pharmacy, vaccines, and nutrition.



This health center is a Health Center Program grantee under 42 U.S.C. 254b, and a deemed Public Health Service employee under 42 U.S.C. 233(g)-(n).



Our mission is to provide access to services that improve the health status of families — including people experiencing financial, social, or cultural barriers to health care.

Pharmacy Benefit Managers (PBMs) and other third-party payers are targeting 340B providers with discriminatory contracts that are essentially “pick-pocketing” the 340B savings from covered entities to enhance their profit margins. This is done at the expense of our state’s most vulnerable patients and essentially shifts the savings into the pockets and shareholders of these for-profit middlemen.

Unlike PBMs and other for-profit middlemen, by law and by mission PrimaryOne Health uses **all** savings resulting from its participation in 340B Drug Pricing Program to expand our patients’ ability to access to medication and other services. Section 330(e)(5)(D) of the Public Health Service Act, as well as the regulations governing our Federal grant, require that every penny of savings resulting from our participation in 340B is used for purposes that expand access to care for our patient population. This is consistent with our organizational mission to provide access to services that improve the health status of families—including people experiencing financial, social or cultural barriers to healthcare.

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 Ohioans – the patients of PrimaryOne Health and all of the other Community Health Centers across Ohio who serve our state’s residents - and not PBMs.

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

Charleta B. Tavares  
Chief Executive Officer



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