



**Access to Affordable, High Quality,
Integrated Health Care for All**

30381 Chieftain Drive, Logan, OH 43138
Phone: (740) 385-3120 Fax: (740) 279-1011

Proponent Testimony for SB 263
R. Logan Yoho, PharmD, RPh, BCACP, 340B ACE
Director of Pharmacy, Hopewell Health Centers

Chairman Lipps, Ranking Member Boyd, and members of the House Health Committee. My name is Logan Yoho, Director of Pharmacy for Hopewell Health Centers. I am also an Apexus-Certified 340B Expert and member of the Ohio Pharmacists Association. Thank you for the opportunity to voice my support for the goals of SB 263.

The 340B Federal Drug Discount Program was a bipartisan law passed in 1992. The goal of the program is to stretch scarce federal resources as far as possible reaching more eligible patients and providing more comprehensive services. The program requires drug manufacturers to provide health centers and other covered entities discounted medications in order to help the most vulnerable patients. The program is not taxpayer funded at all.

Hopewell Health Centers is a Federally Qualified Health Center with 26 locations in 9 counties throughout Southeastern Ohio. Many of our clinics are located in rural areas and are the only healthcare option for miles. Last year we treated 39,000 Ohioans which would have not been possible without the 340B Program.

The 340B Program works by allowing covered entities, such as Hopewell, to purchase medications at greatly reduced prices and then get reimbursed at similar rates of other pharmacies and clinics. The difference between the drug cost and the reimbursement is the 340B savings. All community health centers are required by law, regulation, and mission to **reinvest every penny back into patient care.**

At Hopewell, we use these savings in several ways:

- Providing medication discounts for those that are uninsured or underinsured.
- Opening an in-house pharmacy that is staffed by clinical pharmacists who work on an integrated care team with providers, nurses, and behavioral health consultants treating the whole person.
- Starting a Chronic Care Management Program which assists patients in managing chronic diseases, such as diabetes, high blood pressure, and high cholesterol.
- Hiring a team of dieticians in areas where there might not be one available.
- Building an expansive Medication Assisted Treatment (MAT) program for patients harmed by the opioid epidemic.
- Starting a mobile dental program, providing access to oral health needs in communities without access.

The 340B program's benefits are the most apparent in securing access to affordable medications. Many life-saving medications, such as insulin and epinephrine autoinjectors are simply unattainable for many patients due to cost. The 340B Program allows our pharmacists and our contract pharmacy partners to provide access to medications that could be the difference between life and death.

"Hopewell Health Centers is an equal opportunity provider and employer"



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Unfortunately, Pharmacy Benefit Managers (PBM) have discovered, in the 340B Program, an opportunity to increase profits at the expense of patient care. PBMs are using several tactics to steal the 340B savings that are meant to be reinvested into covered entities that already work on a shoestring budget. Some PBMs have excluded 340B pharmacies from their networks entirely simply because the pharmacy participates in the federal program. Other PBMs have started paying 340B pharmacies significantly less than our retail pharmacy colleagues in order to capitalize on the 340B savings. Sometimes, the reimbursement is so low that the covered entities actually loses money, stealing from patient care.

Often, because they do not have the bargaining power of a large pharmacy chain, these clinic pharmacies are forced into a take-it-or-leave-it scenario, accepting poor contract terms to be able to serve their patients.

On many prescriptions, I am seeing many of these PBMs reimburse me at 3% of what others are receiving. Often, the pharmacy is not even reimbursed the cost of the drug. One of the PBMs hired by a Medicaid managed care organization forced me to switch all of their patients to an expensive brand of insulin last year, even though there was a less expensive option available. The PBM paid the clinic pharmacy \$100 less than the cost of the drug for each of these prescriptions for several months. Every time a Hopewell pharmacist administers a shingles vaccine for another PBM, the clinic pharmacy takes a \$45 loss.

Last year, some 340B pharmacies were notified that a large PBM would be stealing all of the 340B savings, paying only acquisition cost of the drug plus a \$0.50 dispensing fee. No pharmacy can sustain filling a prescription for \$0.50. In fact, the average cost to fill a prescription is around \$10. That's \$10 less for opioid epidemic treatment and dental programs.

The era of COVID-19 has stretched health centers to their limits financially and losing 340B savings would be a hit that many would not survive. Community Health Centers have quickly adapted to this new environment, offering services such as telehealth to Ohioans. These adaptations are not without cost and the 340B program helps offset those changes including the cost of the technology equipment and services.

Senate Bill 263 will help to close the loopholes that PBMs are using to exploit the 340B savings. It will ensure Ohioans have access to affordable, quality care. SB 263 allows 340B pharmacies to participate on a level playing field and keeps the savings where they belong. The intent of the 340B program was to extend patient care for the most vulnerable among us, not to increase the profits of large corporations. SB 263 will help to ensure Ohioans continue to have access to affordable medications and quality healthcare.

Thank you for the opportunity to show my support for SB 263. I will be happy to answer any questions you may have.

R. Logan Yoho, PharmD, RPh, BCACP, 340B ACE
Hopewell Health Centers
logan.yoho@hopewellhealth.org

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