



Bob Hackett

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Committees

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Ways and Means
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Ohio Senate

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Senate Bill 263
House Health Committee
Chairman Lipps Sponsor Testimony – Senator Bob Hackett
December 8, 2020

Thank you, Chairman Lipps, Vice Chairman Holmes, Ranking Member Boyd and members of the House Health Committee for the opportunity to bring before you Senate Bill 263. This legislation would prohibit a pharmacy benefit manager from taking certain actions with respect to reimbursements made to health care providers that participate in the federal 340B Drug Pricing Program.

The goal of Senate Bill 263 is to protect all 340B providers from discriminatory contracts by PBMs. 340B providers, as defined in the 340B Drug Pricing Program enacted by Congress in 1992, include federally qualified health centers and other providers serving low-income patients. The 340B Drug Pricing Program allows these providers to receive certain outpatient drugs at a discount. The savings that result from the program are used to care for the underserved by extending hours of operation or by offering additional services such as dental, vision, or mental health. This legislation does not change the 340B program, it simply protects the savings meant to remove barriers and increase access to quality health care for Ohioans

PBMs are reducing reimbursements or imposing fees through discriminatory contracts against 340B providers to absorb all or part of their savings. Senate Bill 263 prohibits this practice, ensuring the savings are going to the 340B providers as intended so they are able to offer access to affordable and comprehensive care. We cannot allow PBMs to continue discriminating against them just because of their status as a 340B provider

Once again, Chairman Lipps, Vice-Chairman Holmes, Ranking Member Boyd and members of the House Health Committee thank you for the opportunity to bring S.B. 263 before you. I would be happy to attempt to answer any questions the committee may have at this time.