



Proponent Testimony for SB 263
William K. Youngman, CEO
Rocking Horse Community Health Center

Dear Chairman Dolan, Ranking Member Sykes, and members of the Senate Finance Committee. My name is William K. Youngman, Chief Executive Officer of Rocking Horse Community Health Center (RHCHC). I work closely with our Chief Financial Officer, Shonda E. Wallace, and our 340B Coordinator, Stephanie Petrauskas, who oversee our program. Thank you for the opportunity to voice our support for the goals of SB 263.

The 340B Federal Drug Discount Program was a bipartisan law passed in 1992. The program is not taxpayer-funded. The goal and intent of the program are 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 to help the most vulnerable patients.

Rocking Horse Community Health Center is a Federally Qualified Health Center (FQHC) with 4 locations, one a school-based site. RHCHC has two distinct service areas located in contiguous counties. The Clark County, OH service area consists of five (5) contiguous zip codes (45502-45506), which comprise the most impoverished neighborhood in Springfield. The Madison County, OH service area consists of zip code 43140, which is primarily the city of London. RHC is one of the few healthcare providers accepting new Medicaid and self-pay patients in either County. Limited private providers accept new Medicaid or self-pay patients within the RHC service areas or Clark and Madison Counties.

The nearest facility, other than RHC that is accepting new Medicaid or uninsured patients, is the Section 330 FQHC located in New Carlisle, Ohio. This facility is located approximately 15 to 30 miles (20 to 40 minutes) from Springfield or London. There is no public transportation available to targeted residents to enable access to Columbus (the nearest metro area). Last year we treated over 13,700 Ohioans with over 70,000 visits. This would not have been possible without the 340B program.

The 340B program works by allowing covered entities, such as RHCHC, to purchase medications at significantly reduced prices and then get reimbursed at similar rates to 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 RHCHC, we use these savings in several ways:

- We are providing medication discounts for those that are uninsured or underinsured.
- Utilizing Patient Advocates to focus on the social determinants of health. A patient's health goes far beyond their physical well-being, and we want to address all of their needs to treat them holistically.
- The creation of a Pharm-D program 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.

Primary Care Medical Homes

Main Office: 651 S. Limestone St., Springfield
School of Innovation 601 Selma Rd., Springfield
Mulberry Terrace: 120 W. Mulberry St., Springfield
Madison County: 212 N. Main St., London



Our Mission

Rocking Horse Community Health Center creates a caring environment where quality services empower adults and children to improve their physical and emotional health.



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- The addition of chiropractic services to help our patients with mobility, reduce pain, and improve bodily functionality.
- Offering a Medication-Assisted Treatment (MAT) program for patients combined with counseling and behavioral therapies to treat substance use disorders.
- The hiring of peer support specialists to work individually with our patients, to mentor, and provide the necessary support needed to assist with recovery.
- Offering a full scope of preventative and restorative dental service, providing access to oral health needs in communities without access. Dental Care is the number one unmet health care need for Clark County children and adults. The majority of our patients are on Medicaid.
- Parent Infant Center – material assistance for our community, including diapers, formula, clothing, and parenting classes.

The 340B Program's benefits are the most apparent in securing access to affordable medications. Many life-saving medicines, such as insulin and epinephrine auto-injectors, 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.

Unfortunately, Pharmacy Benefit Managers (PBM) have discovered, in the 340B Program, an opportunity to increase profits at patient care expense. PBMs are using several tactics to redirect the 340B savings meant to be reinvested in covered entities that already work with limited resources. 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 and the administrative costs are so high that the covered entities actually lose money, by participating in the 340B program.

Often, because an FQHC does 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 serve their patients. We are pursuing adding an in-house pharmacy to reduce barriers for our patients.

Because of these actions, the potential harm and threat to our Community Health Center are real. This change will cause harm to our health center patients and clinical outcomes, e.g., decreased patient access to critically needed medications, increased (and potentially prohibitive) cost to patients, the potential for adverse health consequences from switching from one manufacturer's formulation to another's (e.g., insulin, antidepressants, etc.). Diabetic patients are likely to see a dramatic increase in their A1C percentages and their daily glucose numbers without their prescriptions such as Lantus and Humalog. Cardiac patients are likely to see an increase in their blood pressure and the risk of cardiac death without their carvedilol. If our mental health patients don't have access to their affordable medication, we will see more patients utilizing the emergency rooms due to mental health crises. Most of our health center's patients have transportation barriers and will simply not take their living saving medications.

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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. This includes the cost of the technology equipment and services, and supplies for curbside visits. Battling the National Pandemic has also increased our cost for personal protective equipment, cleaning supplies, medical supplies and has disrupted health center operations. Resources are scarce, the staff is overly burdened, and patient anxiety is high. 340B saving is an integral part of our Health Center's survival.

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 can be reinvested into the Communities and patients being served. The intent of the 340B program is 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.

William K. Youngman
Chief Executive Officer

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