



**Senate Finance Committee
Testimony on Senate Bill 263
November 17, 2020**

Chairman Dolan, Ranking Member Sykes and Members of the Senate Finance Committee, my name is Dan Atkinson, CEO of Muskingum Valley Health Centers. Thank you for the opportunity to provide proponent testimony on Senate Bill 263.

Muskingum Valley Health Centers (MVHC) is a Federally Qualified Health Center (FQHC) located in southeast Ohio serving residents of Coshocton, Guernsey, Morgan and Muskingum Counties. With twelve (12) locations, including two school-based health centers, MVHC services approximately 45,000 patients. In 2020, MVHC was recognized as Gold Health Center Quality Leader by Health Resources and Services Administration (HRSA).

MVHC is a critical primary care resource to the region that serves numerous vulnerable populations that would otherwise not have access to on-going primary care. Additionally, MVHC actively works with our patients around resolving social determinants of health that include food insecurity, housing and safety issues.

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 can then use any additional savings to support their mission to expand access to services, and improve health outcomes with their patients, and for their communities.

MVHC utilizes the savings created by the 340B program to provide crucial and impactful services and programs to patients. Below are few examples of how savings is utilized by MVHC:

- Patient medication discount program for uninsured and underinsured.
- Patient transportation program that helps reduce one of the largest barriers to patients receiving primary care access.
- A comprehensive dental program that provides preventive and restorative care to populations who otherwise would not have access locally.

- Medication-Assisted Treatment program for patients with substance abuse disorder. The program includes counseling services as well as intensive care management.
- Extended hours to provide patients access during non-traditional office hours. This minimizes the utilization of emergency room services for non-urgent care needs outside of traditional hours.
- Care coordination program that highlights efforts around high-risk populations and high cost chronic conditions to minimize the financial burden to insurers while promoting health and wellness for the patient
- Social Determinants of Health program supported by a team of licensed social workers to support patients struggling with areas such as nutrition, safety, housing and other important social issues.
- Patient support programs including patient wellness, group-based care for chronic conditions, medical legal services and many other key programs that help ensure our patients can achieve the highest level of wellness possible.

Pharmacy Benefit Managers (PBMs) are targeting 340B providers with discriminatory contracts that are essentially “pick-pocketing” the 340B savings from covered entities to enhance their profit margins.

MVHC has received numerous notifications threatening to reduce our patient’s ability to access the 340B program by reducing the number of contract pharmacy sites to minimize the savings opportunities. Furthermore, PBMs and pharmaceutical companies are attempting to operate outside the 340B program guidelines to reduce the ability for covered entities to create savings in order to fund vital patient programs.

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 – the patients of Muskingum Valley Health Centers and all other Community Health Centers across Ohio serve - and not PBMs.

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

Respectfully Submitted,

Dan Atkinson
Chief Executive Officer