



# Lower Lights

## Christian Health Center

**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 Tracy Cloud, and I am the CEO of Lower Lights Christian Health Center (LLCHC). Thank you for the opportunity to provide proponent testimony on Senate Bill 263.

LLCHC is a faith based Federally Qualified Health Center (FQHC) serving over 12,000 patients per year at six locations in Central Ohio. Our mission is to minister the love of Christ as a model full service medical home, focused on whole person wellness, available to all in Central Ohio who need it regardless of the ability to pay.

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.

Our 340b program is administered through both an in-house and contract pharmacies. LLCHC provides discounted medication, as low as \$10 per prescription, to all uninsured patients with incomes at or below 200% of the FPL. The program allows our patients to conveniently pick up affordable medications. If the 340b program was crippled or eliminated, it would have a negative impact on the health of our patient base – many of whom have multiple chronic illnesses. Without the 340B medications, these patients would likely have the cost of their care escalate with hospitalizations or ER visits as their conditions deteriorate.

340b savings are used to provide access to services that we could not otherwise afford to provide such as optometry, dental and support our Food Rx program which combats food insecurity with access to healthy foods from our nonprofit market and provides nutrition education to underserved children and adults with chronic conditions. In addition, savings generated through 340b supports care management services that improve the quality of care we offer to underserved and at-risk patients.

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. 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 LLCHC and all of the other Community Health Centers across Ohio serve - and not PBMs.

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