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Written Proponent Testimony on Senate Bill 263

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Chairman Dolan, Ranking Member Sykes, and members of the Senate Finance Committee:

I am Ernest Boyd, Executive Director of the Ohio Pharmacists Association. We are pleased to speak in support of SB 263. The legislation will allow the lower prices obtained under the 340B program to be used as intended, to provide services needed to low income patients. This pricing allows the covered providers to give low cost or free care to the patients who can least afford the care

Our members have indicated that PBM's and insurers are severely reducing payments for 340B medications. The PBM's and insurers simply pocket the additional revenue, whereas the intent of this program by the federal government was for these savings to be used to provide direct patient care.

One our members, Jangus Whitner, a Clinical Pharmacist & 340B Program Manager at PrimaryOne Health stated "Predatory practices of certain PBMs on 340B Covered Entities, especially Health Centers and their pharmacies, is an obvious example of middlemen working against the intent of the 1992 federal 340B Drug Pricing Program. Some PBMs are targeting Health Centers with "take it or leave it" contracts that redirect 340B Savings to their for-profit companies, and therefore away from the care of underserved patients. This legislation is essential to protecting Health Centers from these predatory practices and ensuring that it is the patient that gets the most benefit from the 340B program. It is no secret that PBMs are well known for their lack of transparency with the data they already have, and now we have some PBMs demanding Health Centers provide them confidential 340B pricing information that the PBM has no good reason for knowing. Everyone is familiar with the "minimum necessary to get the job done" mentality when it comes to HIPAA data in our healthcare system, and the same logic should apply to PBMs when it comes to the 340B Program. This legislation is essential to preserving the integrity of the 340B Drug Pricing program and to protecting patients, pharmacies, and the primary care backbone of America: Community Health Centers."

We strongly support this program that assists health care providers to give necessary care to those who can least afford it. We feel confident that the purpose behind this program was to benefit low income Ohioans, not highly profitable corporations.

Thank you for the opportunity to provide our comments.