

Senator Bailey, Representative Perry and members of the committee:

I thank you for the opportunity to provide testimony in support of LD 1395. My name is Noah Nesen, I am a family doctor and I am here as Chair of the Maine Prescription Drug Affordability Board, speaking on behalf of that board. The Maine Prescription Drug Affordability Board (MPDAB) was established in 2019 pursuant to MRS Title 5 Chapter 167-1 with members appointed by the Governor, the Senate President and the Speaker. We have worked (without funding) since 2020 to fulfill our charge from the legislature and have submitted annual reports for 2021 and 2022 with recommendations for actions, including legislation, to reduce the burden of prescription drug costs on the people of Maine. Our 2022 report includes the following: "...in order to promote and assure the appropriate use of 340B revenue as described in the original federal legislation the Maine Prescription Drug Affordability Board recommends that the Maine Legislature require greater transparency and accountability for the 340B program in Maine."

As we point out in that report, the 340B program's purpose is to enable covered entities "to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services." Federally Qualified Health Centers have typically used these revenues to support sliding fee scales, reduce prescription costs, extend hours of operation, and enhance support services, and FQHCs are subject to detailed programmatic and reporting requirements to the Health Resources and Services Administration (HRSA).

As the 340B program has been expanded to include other entities, concern has grown over cost and the use of these revenues. Our report includes references and quotes related to this concern, one of which points out that in 2021 discounted purchases reached \$43.9 billion, with hospitals accounting for 87% of those purchases. We do not argue that those funds are being misused, or that hospitals in Maine don't need additional revenue streams beyond those generated by patient care. But it is prudent to require transparency about those funds in order to better inform public policy. Therefore, the members of Maine's Prescription Drug Affordability Board support passage of this bill.

Sincerely,

A handwritten signature in black ink that reads "Noah Nesen, MD". The signature is written in a cursive, slightly slanted style.

Noah Nesen, MD, FAAFP

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Chair, Maine Prescription Drug Affordability Board