

MaineHealth

**Testimony of Brian Marden, MaineHealth
in Opposition of LD 1395, “An Act to Increase Transparency Regarding Certain Drug
Pricing Programs”
Thursday, April 27, 2023**

Senator Bailey, Representative Perry, and distinguished members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, my name is Brian Marden, Chief Pharmacy Officer at MaineHealth, and I am here to testify in opposition of LD 1395, “An Act to Increase Transparency Regarding Certain Drug Pricing Programs.”

MaineHealth is an integrated non-profit health care system that provides a continuum of health care services to communities throughout Maine and New Hampshire. Every day, our over 22,000 care team members support our vision of “Working Together so Our Communities are the Healthiest in America” by providing a range of services from primary and specialty physician services to a continuum of behavioral health care services, community and tertiary hospital care, home health care and a lab.

The 340B Drug Discount Program was enacted with strong bipartisan support more than 30 years ago to reduce drug costs for those providers that care for vulnerable populations. Congress clearly stated the program’s purpose which is stated on the federal website for 340B: “To stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.” Eligible providers, called covered entities, rely on the 340B program to provide vital health care services within the communities they serve. The savings created by the 340B program do not come from taxpayers; they are provided by pharmaceutical manufacturers as a requirement to participate in the Medicaid Drug Rebate Program.

MaineHealth has a long standing track record of providing vital comprehensive services to the communities of Maine, services that would not be possible without the 340B program. We are at the front lines of providing much needed critical mental health services and caring for our communities struggling with substance use disorder. We are directly engaged with care delivery for individuals experiencing homelessness. We offer a wide range of community programs focused on disease management, prevention and population health such as pre-diabetes programs and tackling food insecurity through our food pantry offerings. We also operate a robust program called MedAccess that directly supported patients accessing around \$30 million in free medications last year.

This bill unfairly targets hospitals in the 340B Program while imposing extreme and irrelevant data reporting requirements. This bill simply does nothing to improve access to care, quality of care and to reduce the expense of care. All it does is add costly and time-consuming administrative reporting requirements to safety-net hospitals while diverting resources away from focusing on the actual delivery of care. As covered entities, our participating hospitals are already subject to federal 340B reporting requirements and oversight administered by the Health Resources & Services Administration, including a perpetually updated registration database, an annual recertification process and a program integrity

audit program. This bill does not provide transparency into how 340B hospitals utilize program savings to improve care in their communities, instead it paints an incomplete and misleading picture. It even goes as far to require private hospitals to disclose 3rd party vendor relationships and contracting details that are legally protected. We support having a thoughtful conversation about 340B transparency, but such a conversation should involve a comprehensive evaluation of the services hospitals provide to their low-income and rural patients and must comprise all uncompensated care, including not only charity care but also bad debt, underpayments from public payers and other services that hospitals provide at a loss.

Safety-net hospitals in Maine are in a state of financial hardship stemming from challenges such as government and commercial insurance reimbursement reductions, workforce shortages, inflation and by actions of pharmaceutical manufacturers who continue to create barriers to access 340B priced drugs. The culmination of this financial landscape is that the communities of Maine are negatively impacted as safety-net hospitals operating in the red can't provide the scale and scope of care that it otherwise would want to. Any narrative that "hospitals are profiting" off the 304B program is certainly not the case in Maine.

Thank you for your time. I would be happy to answer any questions you may have.

