COMMUNITY ACCESS NATIONAL NETWORK

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Main State Legislature
Joint Committee on Health Coverage, Insurance and Financial Services
2 State House Station
Augusta, ME 04333

Via Electronic Mail

RE: LD 1018

Dear Honorable Senate Chair Bailey, House Chair Mathieson, Members of the Main Joint Committee on Health Coverage, Insurance and Financial Services, and your respected staff,

Today, we respectfully write with OPPOSITION to **LD 1018**, which aims to expand the 340B Drug Pricing Program in Maine without sufficient oversight to ensure the program appropriately serves patients, particularly those living with HIV and other chronic health conditions.

The Community Access National Network (CANN) is a 501(c)(3) national nonprofit organization focusing on public policy issues relating to HIV/AIDS and viral hepatitis. CANN's mission is to define, promote, and improve access to healthcare services and support for people living with HIV/AIDS and/or viral hepatitis through advocacy, education, and networking.

While CANN is primarily focused on policy matters affecting access to care for people living with and affected by HIV, we stand in firm support of all people living with chronic and rare diseases and recognize the very reality of those living with multiple health conditions and the necessity of timely, personalized care for every one of those health conditions. The 340B Drug Pricing Program is of profound importance to our community.

LD 1018 undermines the well-recognized need for reform to align 340B with its original intent because the bill seeks an avenue to expand 340B contract pharmacy arrangements without limitation – particularly, limitations necessary to ensure proper transparency and accountability.

The primary harm of contract pharmacies in the 340B program is that they can divert profits intended for low-income patients by allowing large, for-profit retail pharmacies to capitalize on discounted drug prices, potentially leading to less money being reinvested in patient care and a lack of transparency regarding how the savings are being used; this can be considered an abuse of a program designed to help vulnerable populations access affordable medications.

340B has been the primary driver behind contract pharmacy expansion. Many community, and rural pharmacies are unable to secure contracts with covered entities favoring large entities, reducing competition, leading to pharmacy consolidation often to wealthier communities and away from disadvantaged and impoverished communities, exacerbating the growing patient access issue. Directly, expanding contract pharmacies under the 340B program isn't about patients, it's about adding more hands to the 340B cookie jar, at the expense of patients.

340B is not without its flaws, the program's expansion under the Medicare Modernization Act of 2003 created a shift in profile of 340B that now suggests that entities enrolling in 2004 or later often serve wealthier communities and report lower spending on uncompensated care than covered entities enrolled prior to 2004.

State legislatures across the country have put forth legislation to prevent "discrimination" by manufacturers, allowing for greater abuse and creating higher costs. Such legislation has been fiscally noted repeatedly that such legislation will increase costs at the state and local level as noted by the North Carolina treasurer's report, and in the case of Tennessee, adding $7,452,700 to state expenditures as outlined by the fiscal note on the state's manufacturer mandate bills HB 1242 & SB 1414.

Our concern grows greater by the fiscal note on the similarly situated HB 3265 mandate bill in Texas.
The fiscal note estimates a loss of $189,752,716 to the state AIDS Drug Assistance Program which would render the program to be insolvent by 2027.

To be clear, CANN supports a strong 340B program. When 340B operates the way it is intended, safety-net providers thrive and vulnerable communities, families, and individuals gain access to healthcare they might otherwise not have. CANN welcomes discussion on instituting appropriate guardrails into legislation that would serve to strengthen the program, shield good stewards, and hold accountable bad actors within the appropriate limitations of state powers associated with this federal program.

We would be happy to discuss this legislation or any other matters of public health, please feel free to reach out by email or phone at kalvin@tiican.org , 913-954-8816, or jen@tiicann.org, 313-333-8534.

Respectfully submitted,

Sincerely,
Kalvin Pugh
Director of State Policy, 340B
Community Access National Network (CANN)

On behalf of
Jen Laws
President & CEO
Community Access National Network