



**Testimony of Maine Public Health Association in Support of:
LD 1018: An Act to Protect Health Care for Rural and Underserved Areas by Prohibiting Discrimination
by Participants in a Federal Drug Discount Program**

Joint Standing Committee on Health Coverage, Insurance and Financial Services
Room 220, Cross State Office Building
Wednesday, April 16, 2025

Good morning, Senator Bailey, Representative Mathieson, and distinguished members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services. My name is Rebecca Boulos. I am a resident of South Portland, and executive director of Maine Public Health Association.

MPHA is the state's oldest, largest, and most diverse association for public health professionals. We represent more than 850 individual members and nearly 70 organizations across the state. MPHA works to optimize the health of people and places in Maine through advocacy, education, partnerships, and public health workforce development. We are not tied to a national agenda, which means we are responsive to the needs of Maine's communities, and we take that responsibility seriously.

MPHA is in support of LD 1018: "An Act to Protect Health Care for Rural and Underserved Areas by Prohibiting Discrimination by Participants in a Federal Drug Discount Program." This legislation would prohibit drug manufacturers from restricting or otherwise interfering with the acquisition of a 340B drug by – or delivery of a 340B drug to – a 340B contract pharmacy on behalf of a 340B entity. It also requires that drug manufacturers do not impose requirements, exclusions, reimbursement terms, or other conditions different from those applied to non-contract pharmacies or non-covered entities.

The 340B drug pricing program requires pharmaceutical manufacturers to sell certain outpatient drugs to safety-net providers, including Federally Qualified Health Centers (FQHCs, also known as community health centers) and hospitals, at a discount. Safety-net providers then re-invest the cost savings into patient services and charity care. The program was established to help safety-net providers stretch scarce federal resources to provide more comprehensive services and reach more eligible patients in rural and underserved areas.

The 340B program has been a key revenue source for FQHCs, which are required by the Health Resources and Services Administration (HRSA) to use funds to expand access to critical services for people served by the safety net. FQHCs and hospitals use 340B savings to provide diabetes programs and insulin availability, cancer prevention and treatment programs, Hepatitis C and OUD treatment, behavioral and mental health care, workforce supports, access to free and discounted drugs, substance use disorder treatment, transportation, heating assistance, and food pantries.

As the program has grown, pharmaceutical manufacturers have unilaterally placed restrictive requirements on safety-net providers, resulting in the loss of millions of dollars of revenue to safety-net providers across Maine. This loss of revenue, coupled with the loss of essential health services and programming, poses a threat to the health of Maine's most vulnerable communities. Furthermore, large, for-profit health systems and Pharmacy Benefit Managers have entered the fray and their use of these revenues (without the same HRSA requirements for how the funds are used) have dramatically escalated the cost of the program. Employers and payers are

critical of the program because they don't see it resulting in reduced pharmaceutical costs – but that was never the intention of the program.

This bill will help to stabilize a vital revenue source for safety-net organizations, which serve vulnerable populations across Maine. At a time when health care organizations face threats to state and federal funding, stabilizing this key source of revenue to support access to vital services serves the interests of the people of Maine. We believe this legislation is protective of public health, especially for rural residents. We respectfully request you to vote LD 1018 “Ought to Pass.” Thank you for your consideration.