



Healthcare Distribution Alliance

HEALTH DELIVERED

Senator Donna Bailey, Chair
Representative Kristi Mathieson, Chair
CC: HCIFS Committee
Room 220 | Augusta, ME

April 16, 2025

Re: Healthcare Distribution Alliance (HDA) Testimony for LD 1018

Dear Chair Bailey, Chair Mathieson, and Members of the Committee:

On behalf of the members of the Healthcare Distribution Alliance (HDA), I am writing to respectfully oppose one provision within LD 1018, a provision which inaccurately reflects the supply chain and creates conflicts with federal regulations and state settlement agreements.

HDA is the national trade association representing pharmaceutical wholesale distributors. Our members serve as the vital link within the supply chain, delivering products from over 1,200 pharmaceutical manufacturers to more than 350,000 pharmacies and healthcare settings around the country, including around 1,500 locations across Maine. Simply put, HDA members provide logistical expertise to ensure pharmacy and hospital shelves are physically stocked with the medicines to treat their patients.

The stated intent of section 7703 within LD 1018 is to prohibit certain actions by manufacturers related to 340B entities. However, one provision within this section unnecessarily includes a reference to wholesale distributors.

Wholesale distributors work under contract with manufacturers, therefore any stipulation regarding the delivery of a 340B product would be solely determined by the manufacturer. Including wholesale distributors within LD 1018 would hold the wholesaler accountable for the actions of a manufacturer- further. We believe the inclusion of wholesalers is unnecessary to the intent of the legislation.

Additionally, it's imperative to note that the inclusion of wholesalers within the language would conflict with their obligations under federal Drug Enforcement Administration (DEA) regulations with respect to how they handle orders for controlled substances as well as contradict their obligations under the national Injunctive Relief settlement agreement terms, to which Maine is party to. This would result in the wholesaler being placed in an untenable position of either complying with federal requirements and the national settlement agreement to which Maine is party, or with state law.

Due to these concerns, we ask that the Committee not advance LD 1018 in its current form. I would be happy to answer any questions and can be reached at kmemphis@hda.org.

Sincerely,

A handwritten signature in blue ink that reads "Kelly Memphis".

Kelly Memphis | Healthcare Distribution Alliance