



State of Maine | 132nd Legislature
Joint Standing Committee on Health Coverage, Insurance, and Financial Services
Testimony of Lori Dwyer on behalf of Penobscot Community Health Care
April 16, 2025

Supporting:

LD 1018, An Act to Protect Health Care for Rural and Underserved Areas by Prohibiting Discrimination by Participants in a Federal Drug Discount Program

Senator Bailey, Representative Mathieson, and members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services. I am Lori Dwyer, President & CEO of Penobscot Community Health Care (PCHC). PCHC is the largest of Maine's 20 Community Health Centers, serving nearly 60,000 patients in Penobscot, Waldo and Somerset counties. We employ 732 mission-driven staff, including 220 clinicians.¹

Community health centers are the largest independent primary care network in Maine. We care for everyone, regardless of their ability to pay. Our care model integrates pharmacy services. We operate four community pharmacies and provide clinical pharmacy services as well as residency training for pharmacists and nurse practitioners to help address Maine's provider shortage.

Without our services, including pharmacy, the uninsured, underinsured, Medicaid and Medicare patients in Maine would go without critical access to medical, mental health, and recovery services.

340b sustains much of this vital work. With 340b savings, PCHC has started a now statewide program to address the overprescribing of controlled substances (I refer you to my colleague Kris Ravin's testimony, attached, for more details on this); increased access to low cost medications; expanded recovery programs; embedded clinical pharmacists; launched programs aimed at special populations, addressing homelessness, food insecurity, and HIV treatment; improved workforce training to address shortages; and more. We audit every pharmacy claim for compliance with 340b program requirements.

¹Founded in 1997, PCHC serves approximately 60,000 patients today, with locations in Penobscot, Waldo and Somerset Counties. We are the largest PCHC by patient count in northern New England and the 6th largest in all of New England. Our mission is to provide comprehensive, patient-centered health care services for all to improve the health and wellbeing of our patients and the Maine communities we serve.



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In spite of the good and honest use to which these funds have been put for over a decade, our 340b revenue dropped \$5 million in one year as a result of the manipulative practices of drug companies and PBMs. PCHC's 2024 operating loss was over \$6 million; most of it attributable to the drop in 340b.

The attacks on rural healthcare providers in Maine by some of the largest corporations in the world threaten our mission as a safety net provider in our small corner of the world. The unilateral restrictions imposed by drug companies and harmful PBM practices hurt Mainers. Because of it, we have had to

- reduce our workforce by 60 FTE;
- enact a hiring freeze across non-clinical positions;
- stretch accounts payable significantly, causing hardship for our vendors;
- terminate three service lines;
- shrink our residency program;
- reduce our clinical pharmacy program; and
- close our Winterport practice.

This hurts healthcare, and it hurts Maine's economy.² This also increases burnout among our remaining staff, making it even harder to recruit and retain those we rely on to deliver exceptional care.

At the same time PCHC and other health centers have been cutting services, drug companies posted huge profits,³ earning \$1.6 trillion in revenues in 2024,⁴ and posting net margins in excess of 25%.

To be clear - the 340B program is not harming PhRMA—it is a vital equalizer in a health care system that often leaves vulnerable patients behind.

² Healthcare is the largest industry in Maine and a huge source of financial stability for many. Supporting this sector both maintains good paying jobs and ensures healthcare services are available for everyone. This is foundational to achieving the goals laid out in the State's Economic Development plan.

³ Johnson & Johnson alone reported \$22.2 billion in adjusted net earnings in 2024, representing a 27% profit margin. https://s203-q4cdn.com/636242992/files/doc_financials/2024/q4/4Q24-Press-Release-with-attachments.pdf. (Johnson & Johnson website: <https://www.jnj.com>)

⁴ <https://www.statista.com/topics/622/global-pharmaceutical-industry/#topicOverview>.



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LD 1018 will provide much-needed reform. It will ban manipulative techniques aimed at increasing profits at the expense of vulnerable people. It is a rational solution to an entirely PhRMA-induced problem. It solves this problem without costing taxpayers a dime. And it will ensure 340b savings are used for their intended purpose – to stretch scarce federal resources at safety net provider organizations.⁵

With this restored funding PCHC will be able to stabilize and expand access, innovate, and reduce costs to the healthcare system overall.

We strongly support LD 1018. Please vote yes to restore this critical funding to healthcare in Maine.

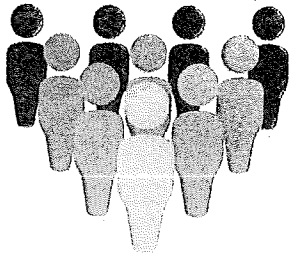
Thank you to Senator Bailey and the other co-sponsors for bringing this bill forward.

Please do not hesitate to contact me directly at ldwyer@pchc.com, with any follow-up questions.

⁵ See <https://www.pharmacytimes.com/view/pbm-reform-takes-off-in-2025>. The six major PBMs in this country control 95% of US prescriptions, forcing independent pharmacies and health centers like PCHC to accept unfair contract terms. It's also worth noting that closures of rural hospitals and pharmacies has accelerated since 2018. A recent study shows Maine with the highest number of rural hospital closures anywhere in the country. Rural hospitals are also shrinking services and closing at alarming rates. <https://www.healthcarefinancetoday.com/2024/03/18/rural-hospitals-closures/> NRS 43, No. 12 (2024): 1703-1711 (1707-1708).



REDUCTIONS IN 340B SAVINGS COST PCHC \$4.9 MILLION IN 2024*



1 in 9 Mainers are served by PCHC in Penobscot, Waldo, and Somerset Counties.

60K

PCHC serves an average of 60,000 people each year.

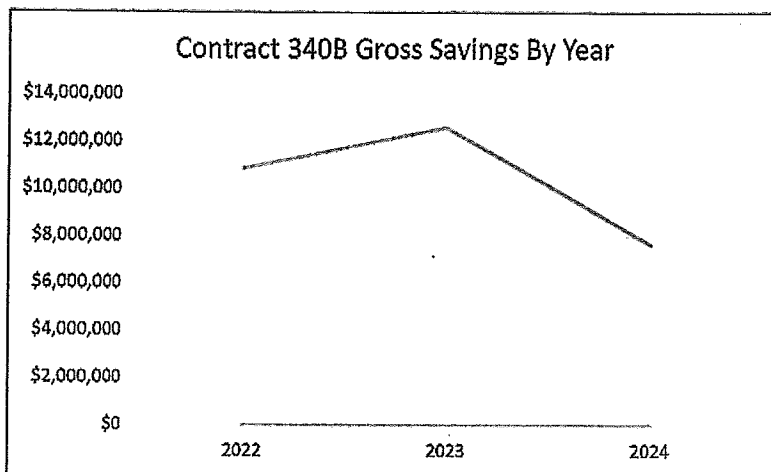
The Real Impact of 340B - Jamie's Story

"Jamie" came to our Outreach & Enrollment team in a state of uncertainty. Newly disabled and unable to work, he faced an uphill battle: no insurance, a future of unaffordable medical bills, and a series of critical healthcare appointments on the horizon. Missing these appointments could mean delays in essential care that would impact his health and quality of life.

Our team helped him navigate the application process for MaineCare insurance—a process that can leave many in eligibility limbo for weeks—and offered immediate relief through our Sliding Fee Program, providing access to affordable healthcare for low income individuals and households.

Thanks to these programs and our Outreach & Enrollment team staff, supported by 340B savings revenue, Jamie was able to attend his appointments without interruption, avoid costly emergency department visits, pay a manageable rate for his care, and within weeks, his MaineCare application was approved. Jamie's story is a testament to the transformative power of health center services.

HEALTHCARE ACCESS IN RURAL MAINE IS AT SERIOUS RISK.



**DECLINING
MANUFACTURER
PARTICIPATION**

=

39% 2023 ↓

**THESE LOSSES
HAVE CREATED A
CRITICAL FUNDING
ISSUE.**

*2024 program revenue declined 38.9%, resulting in a \$4.9 MM drop in 340B savings in one year.