



**Testimony of Brian Marden, MaineHealth  
In Strong 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.”  
April 16, 2025**

Senator Bailey, Representative Mathieson, and distinguished members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, I am Brian Marden, Chief Pharmacy Officer at MaineHealth, and I am here to today to testify in strong 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.”

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 24,000 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, a lab, and retail and specialty pharmacy services.

I’ve been with MaineHealth for over 18 years, and I have over 15 years of 340B program experience. I’m a proud graduate of Sacopee Valley High School in Hiram, ME and I feel incredibly fortunate to have a professional career that centers on caring for the people of Maine.

The 340B Drug Discount Program was established by Congress in 1992 for the sole purpose of providing drug discounts to non-profit safety-net providers, called “covered entities,” so that they could “stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.”

Given the decades of success in the program in meeting that intent, Congress further expanded the number of eligible covered entities in 2010 as part of the Affordable Care Act. MaineHealth has six (6) 340B hospitals and one (1) Hemophilia Treatment Center that are designated as covered entities. It is important to note that not all MaineHealth hospitals meet the eligibility requirements for the 340B program.

The 340B program is of vital importance to the health of our communities, and to the survival of Maine’s hospitals. The value that the program provides to our covered entities ensures access to care for all, regardless of their ability to pay. As our transparency website shows, it is the backbone for being able to offer critical services such as, but not limited to: (1) medication assistance programs and free health care to patients who are un- and underinsured, (2) behavioral treatment services, including for Substance Use Disorder, (3) food pantries, (4) clinical patient navigators in oncology and (5) free transportation to vulnerable patients.

Unfortunately, in an effort to cut our access to discounts, pharmaceutical manufacturers have targeted the 340B program by creating barriers for covered entities. Starting in 2020, at the height of the pandemic, pharmaceutical companies started applying individualized policies that restricted the ability of covered entities to partner with pharmacies, known as contract pharmacies. There are currently 38 separate manufacturer policies impacting Maine’s covered entities, costing millions of dollars in care for our communities. For example, last year, MaineHealth experienced a nearly \$41 million reduction in 340B savings due to these restrictions.

State legislatures around the country have fought against these restrictions, with 12 states enacting legislation similar to LD 1018 to protect their 340b programs, along with 16 others being considered this year. As a result,

the pharmaceutical manufacturers have aligned around coordinated talking points aimed at creating fear, distrust, and confusion in the program. Specifically:

1. They characterize covered entities as bad actors, creating an illusion that our non-profit hospitals and community health centers abuse the program by maximizing profits over care delivery. **Given that our health care providers in Maine have among the lowest operating margins in the country, that characterization doesn't fit here.**
2. They consistently message that the expectation of the 340B program is a direct medication benefit to be passed along to patients. **As previously shared, the congressional record is very clear that Congress never intended for the savings to be directly passed on to the consumer in this way.** H.R. Rep. No. 102-384 (II), at 12 (1992)
3. They claim that providers at covered entities selectively prescribe more expensive medications so that they can increase the amount of 340B discounts achieved. **Our providers prescribe what is clinically appropriate, although, health insurers and pharmaceutical benefit managers (PBMs) largely determine what can be prescribed based on their established formularies.**
4. They talk about “out of control” growth in the 340B program, but **fail to talk about the overall growth of pharmaceutical sales in this country (up \$127B from 2019 to 2023 and projected to eclipse \$1T in next 10 years) or that Congress intentionally expanded the program in 2010.**
5. They state that patients and health plans pay more for 340B eligible drugs. **In reality, the price paid for 340B eligible drugs is the same price paid for non-340B eligible drugs. It is the insurance carrier that determines what is paid to the pharmacy.**
6. Pharmaceutical manufacturers are telling health plans that they are losing millions of dollars in rebates and stand to lose a lot more if this bill were to pass. **If this were true, I would have expected our health plans to see significant rebate gains during the last few years as contract pharmacy programs were gutted.**
7. They state this this legislation and similar legislation passed in other states is expanding the program. **This bill is simply preserving the program and allowing it to operate the way Congress intended.**

With LD 1018, Maine has the opportunity to stand firm in protecting our safety-net healthcare providers in their ability to deliver comprehensive services, especially in rural areas, and to provide access to all health care services to low-income Mainers. If the Legislature does not act in passing LD 1018 this year, the pharmaceutical manufacturers will only continue to restrict safety-net providers' access to these critically important savings – savings that are keeping our hospitals open today. Protecting 340B is a lifeline to our vision at MaineHealth of “Working together so our communities are the healthiest in America” and we strongly urge you to support LD 1018.

Thank you and I would be happy to answer any questions you may have.

Respectfully,

Brian Marden, Pharm.D.  
Chief Pharmacy Officer  
MaineHealth