Maine Medical Association

Maine Osteopathic Association

TESTIMONY OF THE MAINE MEDICAL ASSOCIATION
AND
THE MAINE OSTEOPATHIC 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 Building, Augusta, Maine
Wednesday, April 16th, 2025

Good Afternoon, Senator Bailey, Representative Mathieson, and Members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services. My name is Amy Madden, M.D., and I am a family physician and geriatrician practicing in Belgrade, where I have been providing care for the past 17 years. I am also the past president of the Maine Medical Association and serve on the MMA's Board of Directors. I am submitting this testimony 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, on behalf of the Maine Medical Association and Maine Osteopathic Association.

The Maine Medical Association (MMA) is a professional organization representing more than 4,000 physicians, residents, and medical students in Maine. MMA's mission is to support Maine physicians, advance the quality of medicine in Maine, and promote the health of all Maine people. The Maine Osteopathic Association (MOA) is a professional organization representing more than 1,200 osteopathic physicians, residents, and medical students in Maine whose mission is to serve the Osteopathic profession of the State of Maine through a coordinated effort of professional education, advocacy, and member services in order to ensure the availability of quality osteopathic health care to the people of this State.

As you now know, the 340B program is a component of the 1992 Public Health Service Act, which was introduced as a means of supporting healthcare for underserved populations. In exchange for having their drugs covered under Medicaid and Medicare Part B, drug manufacturers must offer certain outpatient medications at a significantly reduced cost to healthcare entities that care for uninsured and low-income patients. Those "covered entities" must then reinvest the savings generated from the difference between the market value and discounted value of the medications into strengthening the healthcare safety net for low-income or uninsured people. Concerned about their profits, drug manufacturers over time have been imposing barriers and restrictions on covered entities, which diminishes the impact of the program, harms the very people the program is intended to help, and threatens to further reduce healthcare access in Maine.

My testimony today is intended to connect the dots between how this program helps low-income or uninsured Mainers while at the same time providing vital support for healthcare systems across the state that all Mainers access, regardless of income level.

In my practice, I care for several patients who directly benefit from the low-cost medications made available through this program. To give some examples: a patient with lung problems such as asthma or chronic obstructive pulmonary disease (COPD) may need a maintenance inhaler to treat their condition

and prevent exacerbations that lead to ER visits or hospitalizations – high-cost negative outcomes for treatable diseases. Out of pocket, an inhaler like Dulera would normally cost the patient $342.61 per month. Under the 340B program, the uninsured or low-income patient would pay $18.14. Another startling example is a medication used for thinning the blood, with indications such as preventing strokes in people with irregular heart rhythms. One of these drugs, Xarelto, retails at $2,050.50 per month. Under 340B, the patient pays $15.92.

What about the savings generated by this program? To give an example of how they are reinvested into the healthcare systems that care for low-income or uninsured Mainers, we use these savings to enhance our services to patients, such as standing up a triage nurse line. The goal is to offer patients timely advice about the best next steps in managing their acute health issues, including referring patients to the most appropriate setting for care. This often means directing patients to be seen at our office or an urgent care instead of going to the more expensive and often overwhelmed Emergency Department for non-emergency issues. There is no revenue generation for us in this model, but it ultimately allows patients to get the care they need sooner and avoid unnecessary costs to the patient, insurers, and the healthcare system.

Improving access to appropriate healthcare and providing people with medications to prevent worsening health outcomes not only is the right thing to do but also ultimately saves everyone money. Hospitalization for a stroke that could have been prevented with a blood thinner would likely cost tens of thousands of dollars, a burden that many people cannot afford, even those with insurance. For uninsured or under-insured individuals, hospitals must provide uncompensated care, which forces them to raise their prices and negotiate higher-paying contracts with insurers, ultimately resulting in costs that are passed on to anyone purchasing insurance.

You don't have to think very hard to come up with an example of how the healthcare system in Maine is struggling. We are shuttering maternity wards, reducing access to specialty services, and closing facilities wholesale. In the week after Northern Light announced the closure of the Inland Hospital campus in Waterville, my office in Belgrade fielded over 500 phone calls from patients looking for a new PCP. We don't have sufficient access as it stands, and our healthcare system in Maine can't absorb many more hits. Threats to and restrictions on the 340B program in Maine will accelerate the decline of healthcare access in Maine. We must pass LD 1018 to protect this vital program and protect healthcare access for all Mainers.

Thank you for considering the thoughts of Maine's physicians about LD 1018.

Thank you,

Amy Madden, MD