

State of Maine | 132nd Legislature
Joint Standing Committee on Health Coverage, Insurance, and Financial Services
April 16, 2025

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**LD 210, "An Act to Protect Health Care for Rural and Underserved Areas by Prohibiting
Discrimination by Participants in a Federal Drug Discount Program"**
Sponsored by Senator Bailey

Senator Bailey, Representative Mathieson, and members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, I am Darcy Shargo, the CEO of Maine Primary Care Association, which represents Maine's largest independent primary care network. Maine's Federally Qualified Health Centers (also known as Community Health Centers) provide high quality and accessible primary and preventive medical, behavioral, and dental health services for over 200,000 people (1 in 6 Mainers) at more than 100 service delivery sites in all 16 Maine counties.

The 340B drug pricing program was established to help safety-net providers like FQHCs and hospitals stretch scarce resources to provide more comprehensive services and reach more eligible patients in rural and underserved areas.

Already struggling with razor-thin operating margins, the 340B program is a lifeline for Maine's FQHCs. Many of the leaders in our network tell me that the restrictions pharmaceutical companies have placed on the program present an existential crisis. Over the past five years, more than 35 pharmaceutical manufacturers have placed several restrictive and discriminatory requirements on 340B entities, resulting in millions in lost savings for Maine's safety-net providers. These companies unilaterally decided to change years of practice and are now prohibiting FQHCs and hospitals from forming cost-saving partnerships with local pharmacies to serve their patients, greatly reducing their access to these savings.

This is not theoretical. The folks who spoke before me have directly shared examples of the financial losses that we have been experiencing in Maine. This legislation is needed to stop the bleeding and ensure that 340B savings remain in Maine, supporting our communities.

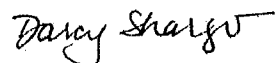
Health centers invest 340B savings directly back into patient services to expand access and improve health outcomes. This includes diabetes programs and insulin availability, behavioral and mental health care, workforce supports (community health workforce, support staff, outreach & enrollment, etc.), access to free and discounted drugs, substance use disorder treatment, wrap-around services including transportation, heating assistance, and food pantries. CHCs are good financial stewards of 340B savings, and follow both state and federal oversight requirements, including regular program integrity audits to ensure statutory and regulatory compliance.

For over 30 years, the 340B Program has worked. It has provided needed resources that allow providers to meet their mission and increase access to high-quality care for our rural and underserved communities.

Efforts to restrict this program only serve to increase profits for large out-of-state pharmaceutical companies at the expense of patient care across Maine. We urge you to support LD 1018 to address these tactics and protect the health care safety-net in Maine - at no cost to the taxpayer or government.

We appreciate your consideration of our comments. Please do not hesitate to contact me directly with any follow up questions.

Sincerely,

A handwritten signature in cursive script that reads "Darcy Shargo".

Darcy Shargo, MFA
Chief Executive Officer
Maine Primary Care Association
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