

February 11, 2022

Senator Heather Sanborn, Chair  
Representative Denise Tepler, Chair  
Members of the Health Coverage, Insurance and Financial Services Committee

**RE: Testimony in support of LD 1938, An Act To Prohibit Discriminatory Practices Related to the 340B Drug Pricing Program**

Dear Senator Sanborn, Representative Tepler and members of the Health Coverage and Financial Services Committee:

My name is Minh Hoang. I am a resident of Portland and President of the Maine Society of Health System Pharmacists. Today I am submitting testimony on behalf of the Maine Society of Health System Pharmacists, an organization that has more than 300 members statewide and primarily represents individual Pharmacists, Technicians and students who practice in a health-system setting. I am testifying today in support of LD 1938.

The 340B program celebrates its 30<sup>th</sup> anniversary this year, and has long received bipartisan support. Today, there are 59 active 340B covered entities in Maine, providing health care services for Maine residents across our states regardless of their ability to pay. Many of them have stepped up in this pandemic to assist with vaccination efforts to keep Mainers safe, and all has been true heroes in continuing to take care of Mainers despite the multitude of challenges the pandemic brings. Without 340B savings, covered entities would either have to seize operations, or significantly cut back on services provided to patients. Many services provided by our state's safety net providers are of low to no cost to the patients, including:

- Free care and financial assistance programs for individuals who don't qualify for public or private health care coverage programs
- Homeless health
- Substance Use Disorder treatment programs – especially crucial in light of annual record for overdose deaths in 2021 in Maine
- Case management services to ensure patients receive comprehensive, unfragmented care

LD 1938 would protect the intent of the 340B program, which is to stretch scarce federal resources, ultimately protecting Maine safety net hospitals and vulnerable patient populations. The bill would not allow manufacturers from withholding 340B pricing in eligible 340B contract pharmacy relationships, which 14 manufacturers have put restrictions on since summer of 2020. This bill would also not allow pharmacy benefit managers (PBMs) to obtain any part of 340B savings that's meant to be used by 340B covered entities to care for their patients. When manufacturers and PBMs require 340B providers to submit whether or not a claim is 340B eligible for all insurances, they are not using this information to protect the program's integrity against duplicate discount violations. 340B duplicate discount only happens when 340B covered entities receive 340B discount and state Medicaid receive rebates. They are using this information so they can identify when there is 340B savings generated for the 340B covered entity so they can retain some of the savings for their bottom line. 340B savings are utilized by hospitals to benefit patients. We would challenge that that is the same as what third party, for-profit companies would be doing.

Attacks on the 340B program are attacks on 340B entities' ability to take care of patients. Illegal restrictions on access to 340B discount pricing means restrictions on access to quality and affordable healthcare for Mainers.

Thank you for your time and I am happy to answer any questions you may have.

Sincerely,



Minh Hoang, PharmD, MPH, BCACP

President

Maine Society of Health System Pharmacists