



**Northern Light
Health**

**LD 1938 An Act To Prohibit Discriminatory Practices Related to the 340B Drug Pricing
Program**

Testimony in Support

February 15, 2022

Senator Sanborn, Representative Tepler and members of the Health Coverage, Insurance and Financial Services Committee, my name is Matt Marston and I am the Vice President of Pharmacy for Northern Light Health. I am here today speaking in support of this legislation.

Northern Light Health member organizations include 10 hospitals located in southern, central, eastern, and northern Maine, 8 nursing facilities, air and ground ambulance, behavioral health, addiction treatment, pharmacy, primary and specialty care practices and a state-wide home care and hospice program. Ninety three percent of Maine's population lives in the Northern Light Health service area. Northern Light Health is also proud to be one of Maine's largest employers with over 12,000 employees statewide.

Section 340B of the Public Health Service Act provides critical relief to healthcare organizations in the cost of pharmaceuticals. Rural states like Maine with large numbers of low-income vulnerable patients rely on this federal program to offset the high cost of delivering healthcare in the setting of higher rates of non-payment and patients requiring free care, which totals over \$24 million per year for NL Eastern Maine Medical Center alone. Without the aide of the 340b program, Northern Light Health would have paid \$109 million more for the medications we require to treat our patients last year. The actions of manufacturers and third-party payers being taken to target this program during the global COVID-19 pandemic has placed unprecedented operational and financial hardship on healthcare institutions which negatively impacts our ability to provide quality and affordable healthcare for our Maine communities.

This bill counteracts these tactics to circumvent the 340b program, by requiring manufacturers to extend 340b discounts to pharmacies contracted with covered healthcare institutions providing prescription dispensing services and prevents the steering of patients to non-contracted pharmacies or the reduction of reimbursement to those providing services under this program. Northern Light Health has already experienced the loss of over \$18 million in 340b savings from manufacturers removing pricing from contracted pharmacies and to date all of this has been to the sole benefit of drug manufacturers. Our Maine communities require our services now more than ever, and we thank this Committee for considering this measure that keeps savings in our State where it is needed most.

Thank you for the opportunity to speak in support of this important legislation. I welcome any questions that you have.

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Northern Light Health

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