

April 27, 2023

Senator Donna Bailey, Chair
Representative Anne Perry, Chair
Members of the Health Coverage, Insurance and Financial Services Committee

RE: Testimony, LD 1395 An Act to Increase Transparency Regarding Certain Drug Pricing Programs

Dear Senator Bailey, Representative Perry, and members of the Health Coverage and Financial Services Committee:

My name is Amy Downing, I am a resident of Smithfield and the Executive Director 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 in opposition to LD 1395.

LD 1395 seeks to increase transparency on the discounted drug pricing provided to safety net healthcare organizations, but does not state the purpose behind the information that is being collected. It is worth noting that this bill does not seek to gather information regarding how organizations utilize these savings to benefit their communities, which cannot be understated. Under reimbursement by third party payers, rising costs of supplies and pharmaceuticals, labor shortages, and rising bad debt all have been contributing to steep financial losses for hospitals across the nation and right here in our State of Maine. This has led to hospitals closing down services, hospital beds, and swelling emergency departments throughout the State. It is also worth noting that this bill as written only applies to Hospitals, when Federally Qualified Health Centers and others receive 340b discounts under this program. If this bill were to pass, it should apply to all 340b covered entities as defined by HRSA and not just Hospitals.

States including Arkansas, Georgia, Indiana, Kansas, Kentucky, Minnesota, Montana, North Dakota, Ohio, Oregon, South Carolina, South Dakota, Tennessee, Utah, Vermont, and West Virginia have all been directing their efforts at passing legislation to protect the 340b program that is under constant threat from pharmaceutical companies seeking to skirt around providing these discounts to improve their already substantial profits in the United States. The data sought to be publicly reported under this bill is also exactly the information that is being sought by pharmaceutical companies to further their narrative that hospitals are using these discounts for profit rather than to benefit patients. Anyone that follows the news here in Maine or follows the markets knows that more than half of the nation's hospitals have reported operating losses last year, while manufacturers attempting to avoid these discounts have posted record profits. Rather than imposing additional burdensome requirements on our already struggling hospitals, I would urge our State legislature to oppose this bill and consider joining these other States in protecting our healthcare institutions access to the 340b program.

The Maine Society of Health System Pharmacists would be happy to work with the committee in any way we can on LD 1395. Please reach out if we can be of service.

Kind Regards,

Amy Downing

Executive Director
Maine Society of Health System Pharmacists