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**Written Testimony on H. 353 for the Senate Committee on Health and Welfare**
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**Bi-State Primary Care Association**
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Madame Chair, Members of the Committee, I am submitting these comments on H. 353, a bill for regulating pharmacy benefit managers. These comments represent the perspective of Bi-State Primary Care Association members.

Bi-State Primary Care Association is nonprofit organization established in 1986 to advance access to comprehensive primary care and preventive services for anyone regardless of insurance status or ability to pay. Today, Bi-State represents 28 member organizations across both Vermont and New Hampshire. Our members include Federally Qualified Health Centers (FQHCs), Vermont Free and Referral Clinics, Area Health Education Center programs, and Planned Parenthood of Northern New England.

This morning, the Department of Financial Regulation recommended that Section 4(b) in version 2.1 of H. 353 be struck from the bill. This provision would prohibit drug manufacturers from denying the "shipment of such drugs to the hospital's or clinic's contract pharmacy or place conditions or restrictions on the sale of the drugs." Bi-State supports *retaining* this provision with the following edits:

> (b) No manufacturer or supplier of outpatient prescription drugs for which a hospital or health clinic in this State is entitled to preferential pricing under federal or State law ~~or by contract~~ shall deny shipment of such *preferentially priced* drugs to the hospital's or clinic's contract pharmacy. ~~or place conditions or restrictions on the sale of the drugs.~~

The 340B program, a program falling under the term "preferential drug pricing", is currently in jeopardy on several fronts, including from restrictions imposed by drug manufacturers. Any protection that can be established at the state level is vital to maintaining access to and affordability of services for patients of those participating organizations. For example, FQHCs across Vermont use savings from the 340B program to offer to their patients discounted prescription drugs, dental services, nutrition services, school-based services, transportation, translation, and many other services, while remaining financially viable. Any erosion of this program means that FQHCs will have to scale back access and services for those least able to pay for health care. While Bi-State continues to work with Senators Leahy and Sanders, Congressman Welch, and the National Association of Community Health Centers (NACHC) on ways to protect this program for safety net service providers at the federal level, we also support efforts by Vermont policymakers to add protections at the state level.

I am happy to respond to any questions you or your committee members may have on this issue.