

525 Clinton Street
Bow, NH 03304
Voice: 603-228-2830
Fax: 603-228-2464



61 Elm Street
Montpelier, VT 05602
Voice: 802-229-0002
Fax: 802-223-2336

Written Testimony on H. 206 for the Senate Committee on Health and Welfare
Mary Kate Mohlman, PhD, MS
Bi-State Primary Care Association
April 21, 2023

Madame Chair, Members of the Committee, I am submitting these comments on H. 206, a which is scheduled before your committee for review and potential vote on April 26, 2023. These comments represent the perspective of Bi-State Primary Care Association members.

Bi-State Primary Care Association is a 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 26 member organizations across both Vermont and New Hampshire. Our members include Federally Qualified Health Centers (FQHCs), Vermont Free and Referral Clinics, and Planned Parenthood of Northern New England.

These comments are specifically about the proposed addition of Section 6 to H. 206, which would repeal the sunseting of restrictions for pharmacy benefit managers enumerated in 18 V.S.A. § 9473(g). Specifically, restrictions in 18 V.S.A. § 9473 state:

(g) A pharmacy benefit manager shall not:

- (1) require a claim for a drug to include a modifier or supplemental transmission, or both, to indicate that the drug is a 340B drug unless the claim is for payment, directly or indirectly, by Medicaid; or*
- (2) restrict access to a pharmacy network or adjust reimbursement rates based on a pharmacy's participation in a 340B contract pharmacy arrangement.*

Bi-State and its members fully support the proposed repeal and making these restrictions permanent.

The reasons for supporting these restrictions, which protect the 340B program, are simple – the program is essential to maintaining the accessibility, affordability, and scope of services offered by Bi-State members. The 340B program was created to allow certain providers, such as FQHCs, to stretch scarce federal dollars to provide patient care. With 340B funds, FQHCs across Vermont are able to offer discounts on prescription drugs, dental services, nutrition services, school-based services, transportation, translation, and many other services to their patients, while remaining financially viable. Any erosion of this program means that FQHCs will have to scale back access and services to those least able to pay for health care. While Bi-State continues to work with our Members of Congress and national partners on ways to protect this program for FQHCs and their safety net services at the federal level, we also support efforts by Vermont policy makers to add protections at the state level.

The restrictions included in 18 V.S.A. § 9473(g) ensure that PBMs do not reduce the number of 340B drugs they cover, lower reimbursement and/or add higher fees for 340B drugs, limit a pharmacy's ability join its network based on 340B participation, or decrease pharmacy access for patients of 340B covered entities. By limiting potential erosion of the 340B program by PBMs, maintaining these restrictions

ensures continued accessibility and affordability of safety net services, including primary care, mental health, and oral health services. Without the current level of saving available through the 340B program, safety net organizations such as FQHCs will have to reduce the service they offer. Again, thank you for the opportunity to comment, and Bi-State is happy to respond to any question either verbally or in writing.

For further information, please contact Georgia Maheras, Sr. Vice President of Policy and Strategy, at gmarheras@bistatepca.org, or Mary Kate Mohlman, Director, Vermont Public Policy, at mmohlman@bistatepca.org.