

February 28, 2025

Representative Alyssa Black, Chair
Vermont House Committee on Health Care
155 State Street
Montpelier, VT 05602

RE: Rutland Regional Testimony in Support of H.266

Dear Chair Black and Members of the House Health Care Committee,

Thank you for the opportunity to provide testimony on H.266, a critical bill aimed at restoring the 340B Contract Pharmacy program, which has been significantly restricted due to unilateral actions by drug manufacturers and the Pharmaceutical Research and Manufacturers of America (PhRMA). Rutland Regional Medical Center strongly supports H.266 for the following reasons:

- Rutland Regional loses \$8 million annually due to these manufacturer-imposed restrictions.
- These lost funds are essential in helping offset the \$39 million in yearly underfunding by Medicare and Medicaid.
- In response to the loss of these dollars, as part of our FY24 budget, Rutland Regional increased its commercial rate request by nearly 2% to the Green Mountain Care Board.
- Without 340B protections, drug manufacturers have shifted costs onto Vermonters, who now face higher commercial insurance premiums as a result.
- Rutland Regional acknowledges the growing burden of health care costs and our responsibility to mitigate that impact. The 340B program is a vital tool in reducing overall health care costs and alleviating pressure on commercial rates.
- We recognize the complexity of the 340B program and support transparency discussions, provided that any reporting requirements remain reasonable.

We appreciate the Committee's time and dedication to this issue. We urge you to pass H.266 to support the vital work of hospitals and Federally Qualified Health Centers (FQHCs) across Vermont.

Sincerely,

Jonathan Reynolds, PharmD
Vice President Clinical Operations