

Jeff Hochberg  
Rutland Pharmacy Group

H 266 – Senate Health and Welfare Committee comments:

Honorable Chair Lyons and Committee Senators,

As a pharmacy owner and operator in the State of Vermont, and as a Vermont citizen, I can attest to the need for more transparency within the pharmaceutical procurement system, including the 340B Federal Program. The impact this program has upon the financial stability of both the healthcare system at large, as well as that of Vermont small businesses relative to the affordability of employer sponsored plans, cannot be understated. 340B qualifying prescriptions represent a significant portion of Vermont's drug dispensations based on our years of experience as a contract pharmacy, and thus a significant portion of the costs which impact every Vermonter. This needs to be fully understood by the appropriate regulators. I encourage the committee to approve the transparency requirements within bill H 266. That said, I would also offer a suggestion to look to the Vermont Licensed Wholesalers for the data. The current 340B system works in a "virtual space", often within management platforms of the wholesalers themselves. The data is likely less of an administrative burden for wholesalers to report out and ultimately should produce more substantive data for further analysis. It is also true that manufacturers can and do impose restrictions on the number of "contract pharmacies" a FQHC can have. This has had a serious financial impact on both the FQHCs and the Contract Pharmacies themselves. PhRMA has testified on behalf of its members to the abuses of the program particularly from the larger, vertically integrated contract pharmacies. As the investigations from both the State and the Federal governments continue to expose the tactics of these monopolistic entities, it stands to reason that mis incentives will continue to be exposed. I suggest that language be considered that prohibits manufacturer restriction on the participation of "Instate Pharmacies", thereby protecting the sustainability of our local delivery providers and FQHCs meanwhile preventing abuses identified by the manufacturers until further understanding of the program can be achieved by regulators.

"Instate Pharmacies" – is a qualifying term used by the Vermont Board of Pharmacy in licensing

Thank you for your consideration,

Jeff Hochberg