

HCA Testimony regarding H.266 to the Senate Committee on Health & Welfare



Presented By

Charles Becker, Staff Attorney
Office of the Health Care Advocate

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Section 1: Contract Pharmacy Protections



- The HCA cautiously supports the contract pharmacy protections in Section 1.
- 340B revenue helps sustain our Vermont providers.
 - Contract pharmacies help covered entities maximize 340B revenue.
 - Restrictions on contract pharmacies reduce that revenue.
- The “contract pharmacies” issue is a “hot” issue.
 - Manufacturers sued HRSA over seeking to enforce “unlimited contract pharmacies” – **Manufacturers win**
 - Manufacturers sued states for implementing “contract pharmacy protection” legislation – **States win (mostly)**

Section 2: 340B Transparency



- Why is transparency important? What questions are we hoping to answer?
 - How much revenue are hospitals generating from 340B?
 - Where is the revenue coming from? Who is paying it?
 - How much are hospitals paying others to maximize their revenue?
 - Who are the hospitals paying to maximize their revenue? What services are those entities providing?
 - How can we support hospitals to keep more money in Vermont?
 - What are hospitals doing with the money?
 - What direct impacts does 340B have on patients? What can we do to better support patients?

Section 2, Paragraph 1

As Passed by the House:

The annual estimated savings to the hospital from participating in the 340B program, comparing the acquisition price of drugs under the 340B program to group purchasing organization pricing. If group purchasing organization pricing is not available for a specific drug, the hospital shall compare the acquisition price under the 340B program to the price from another generally accepted pricing source.

HCA Recommendation:

(1) the aggregated acquisition cost for all prescription drugs that the hospital, or any entity acting on the hospital's behalf, obtained through the 340B program during the previous calendar year

(2) the aggregated payment amount, broken down by payer type (including Medicare, Medicaid, commercial, and uninsured) and further separated into patient cost-sharing and third-party payer contributions, that the hospital received for all prescription drugs obtained under the 340B program and dispensed and administered to patients during the previous calendar year

Section 2, Paragraph 3

As Passed by the House:

The aggregated payment amount that the hospital made to any other outside vendor for managing, administering, or facilitating any aspect of the hospital's 340B drug program during the previous hospital fiscal year.

HCA Recommendation:

The aggregated payment amount that the hospital made to any other outside vendor for managing, administering, or facilitating any aspect of the hospital's 340B drug program during the previous hospital fiscal year, followed by a list of the vendors by name and a brief description of the work performed by each vendor.

Other HCA Recommendations



- Sec 2, ¶ 4: “The number of claims ... obtained through 340B”
 - We agree with GMCB this is not useful information and would recommend their suggestion for improvement.
- Sec 2, ¶ 5: “A description of the way hospitals use savings”
 - We agree with GMCB this language could be improved to generate more useful information and would recommend their suggestions.
- Require attestation the information is true and accurate (GMCB)
- Add “in a form and manner prescribed by the Board” to the intro paragraph or add other language giving GMCB flexibility to interpret and clarify this language in case of questions or ambiguity