



TO: The Honorable Pamela Beidle, Chair
Members, Senate Finance Committee
The Honorable Dawn Gile

FROM: Nora E. Hoban, MPA
Chief Executive Officer

DATE: February 7, 2024

RE: **SUPPORT ONLY IF AMENDED** – Senate Bill 388 – *Prescription Drug Affordability Board – Authority for Upper Payment Limits and Funding (Lowering Prescription Drug Costs for All Marylanders Act of 2024)*

The Mid-Atlantic Association of Community Health Centers (MACHC) is the federally designated Primary Care Association for Delaware and Maryland Community Health Centers. As the backbone of the primary care safety net, Federally Qualified Health Centers (FQHCs) are united by a shared mission to ensure access to high-quality health care to all individuals, regardless of ability to pay. FQHCs are non-profit organizations providing comprehensive primary care to the medically underserved and uninsured. Maryland's sixteen health centers serve more than 340,000 patients annually. Eighty-seven percent live at or below 200% of the Federal Poverty Level, and more than two-thirds of patients are from historically marginalized racial and ethnic groups. MACHC supports its members in the delivery of accessible, affordable, cost effective, and quality primary health care to those most in need. To this end, MACHC **supports** Senate Bill 388, **only if the legislation is amended**.

MACHC supports the goals of Senate Bill 388, recognizing that prescription drug affordability is an issue impacting people statewide. However, if enacted, it is imperative that there are no unintended consequences associated with the expansion of upper payment limits and that the legislation protects Marylanders' access to discounted medications and expanded enabling services through the 340B Drug Pricing Program. Healthcare entities covered under the 340B program include Federally Qualified Health Centers, Ryan White Clinics, and hospitals that treat a disproportionate share of low-income patients.

Since 1992, the 340B Drug Pricing program has helped patients access affordable medications. Additionally, the program supports healthcare entities covered by the program to invest in wrap-around services and programs that best meet community needs. Such services address barriers to care regardless of race, ethnicity, education, or poverty. Health equity starts with legislation that supports access to primary and preventative care for all Marylanders.

Health centers operate on shoestring budgets, spreading limited financial resources to provide complex patients with a wide range of services. Community health centers manage a variety of payors to stretch scarce federal resources to those who need the most care. Health centers are not free clinics and accept all patients regardless of ability to pay. As nonprofit organizations, centers must balance different revenue streams while remaining financially stable, and financial considerations drive what services can be offered. The 340B program is an essential part of this balance.

Due to MACHC's concern about the potential for this legislation, as introduced, to negatively impact the benefits associated with the 340B program, the association's support is contingent upon the adoption of the following amendment to clarify the definition of "Prescription Drug Product" to exclude those products purchased under the 340B program.

Amendment:

§21-2C-01

(h) "Prescription drug product" means a brand name drug, a generic drug, a biologic, or a biosimilar, **UNLESS SUCH DRUG, BIOLOGIC, OR BIOSIMILAR WAS PURCHASED UNDER 42 U.S.C. § 256B.**

MACHC wishes to reiterate its support for addressing prescription drug affordability, however the association's support for Senate Bill 388 is contingent on the adoption of the requested amendment to protect the integrity of the 340B Program. The amendment will ensure marginalized communities will continue to receive the benefits of discounted medications and wrap-around services that were made possible with the support of the 340 program as it was legislatively intended.

For More Information:

NHoban@machc.com

