

## HEALTH CARE FOR THE HOMELESS TESTIMONY

### FAVORABLE WITH SPONSOR AMENDMENTS

#### HB 1274 – Prescription Drugs - Pharmacy Benefits Managers and Purchasers - Federal 340B Program

House Health and Government Operations Committee

March 10, 2022



Health Care for the Homeless supports HB 1274 with the amendments provided by Epic Pharmacy. The bill would establish certain requirements and prohibitions on pharmacy benefits managers (PBMs) and purchasers related to the federal 340B Program. The amendment removes the section prohibiting coding modifiers and we support this amendment.

Among other things, the bill prohibits PBMs from:

- Discriminating against a pharmacy or pharmacist that participates in the 340B program by imposing restrictions or other requirements;
- Offering lower reimbursements for prescription drug purchased under the 340B program;
- Imposing fees on pharmacies or pharmacists that participate in the 340B program;
- Refusing to cover prescriptions purchased under the 340B program;
- Refusing to allow pharmacies or pharmacists that participate in the 340B program to participate in PBM purchaser's networks on the basis that they participate in the 340B program; and
- Requiring a beneficiary use a specified mail-order pharmacy or pharmacist that participates in the 340B program.

The 340B Program is an essential component of the safety net system that helps make health care and prescription drugs more affordable for millions of Americans. Health Care for the Homeless is a Federally Qualified Health Center, serving around 10,000 clients and families experiencing homelessness, and as such, the 340B program is a hugely important revenue source for our agency. The 340B Drug Pricing Program is an essential in allowing us to stretch increasingly scarce federal resources and reinvest in client care. The program allows us to purchase prescription drugs at significantly reduced costs. We can then utilize these savings to invest in additional services and to expand access and improve health outcomes. The cost of medicines can easily push our clients further into poverty, disease, even death.

This bill prevents potential reductions in critical payments on 340B claims, which would inevitably impact the services and care we are able to provide to the clients we serve – among Baltimore's most vulnerable populations. We support the protections for the vital 340B revenue that this bill provides and we particularly appreciate the provisions prohibiting the required use of a mail-order pharmacy. The mail-order requirements are particularly problematic for the clients we serve – those experiencing homelessness or housing insecurity.

Additionally, the clients we serve are often hard to reach and have particular barriers receiving health care and prescription drugs. Therefore, it is all that much more important that we have choice of contract pharmacies and a broader network of pharmacies with which to partner.

This bill provides straightforward and much-needed protections to ensure the efficacy and success of the critical 340B program. As such, we support HB 1274 with the amendments as described above. We urge a favorable report.

*Health Care for the Homeless is Maryland's leading provider of integrated health services and supportive housing for individuals and families experiencing homelessness. We work to prevent and end homelessness for vulnerable individuals and families by providing quality, integrated health care and promoting access to affordable housing and sustainable incomes through direct service, advocacy, and community engagement. We deliver integrated medical care, mental health services, state-certified addiction treatment, dental care, social services, and housing support services for over 10,000 Marylanders annually at sites in Baltimore City and Baltimore County. For more information, visit [www.hchmd.org](http://www.hchmd.org).*