



Date: March 8, 2024

To: The Honorable Pamela Beidle, Chair

From: Aliyah N. Horton, FASAE, CAE, Executive Director, MPhA, 240-688-7808

Cc: Members, Senate Finance Committee

Re: FAVORABLE - SB 986- State Board of Pharmacy - Prohibition on Discrimination Against 340B Drug Distribution

The Maryland Pharmacists Association (MPhA) urges a FAVORABLE report for **SB 986 - State Board of Pharmacy - Prohibition on Discrimination Against 340B Drug Distribution.**

- For more than three decades the 340 B Drug Pricing program has provided an opportunity for community pharmacies to contract with non-profit entities like Federally Qualified Health Centers, Ryan White Program Clinics and State AIDS Drug Assistance programs, Medicare/Medicaid Disproportionate Share Hospitals, children's hospitals and other safety net providers to dispense discounted medications to vulnerable patient populations.
- MPhA supports SB 986 to ensure the program is protected from unilateral decisions by drug manufacturers to limit pharmacy access points that connect to patients where they are.
- In 2022 the General Assembly passed, HB 1274 – Prescription Drugs – Pharmacy Benefit Managers and Purchasers – Federal 340B Program, to mitigate practices that sought to limit competition via restrictive networks and much more. This is another step to protect patient access.
- Drug manufacturers have increasingly reduced the ability for appropriate pharmacy coverage by limiting a covered entities ability to contract with pharmacies of their choosing. This directly impacts vulnerable and/or low-income populations, regardless of where they are in the state.
- We have heard concerns from our members regarding a growing list of pharmaceutical manufacturers that are unilaterally placing limits and other restrictions on contracting with interested pharmacies as noted below by:
 - Requiring a covered entity that doesn't have an in-house pharmacy to choose a single location contract pharmacy and/or requiring:
 - the single contracted pharmacy to be a specialty pharmacy; or
 - the single contracted pharmacy to be within 40 miles of the home site.
 - Refusing to ship 340-B priced drugs to contract pharmacies.
 - Refusing to offer 340 B pricing for drugs dispensed at all contract pharmacies unless the covered entity submits claims data.

You will hear testimony from both the covered entities and the contracted pharmacies regarding the specific challenges that these restrictions put on their ability to serve the patient populations the 340B Program seeks to support. As such, MPhA urges a favorable report for **SB 986 - State Board of Pharmacy - Prohibition on Discrimination Against 340B Drug Distribution.**