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February 20, 2024

The Honorable Julie Fahey
Chair, House Committee on Rules
900 Court St. NE
Salem, OR 97301

Re: House Bill 4028-2

Dear Chair Fahey and members of the committee,

On behalf of Providence Health & Services, thank you for the opportunity to voice our strong support for the -2 amendment of House Bill 4028 regarding the 340B Drug Pricing Program. The -2 amendment protects patients, hospitals, and 340B covered entities.

The federal 340B Drug Pricing Program has allowed hospitals and health systems serving low-income patients and other underserved populations the ability to stretch scarce resources, maintain vital patient services, and provide comprehensive care to patients and communities by providing financial relief from high prescription drug costs. The 340B program is an essential part of keeping Oregon's non-profit community hospitals and health systems financially solvent and affords the ability to provide and expand access to care across our communities.

We believe that the language in the -2 amendment of HB 4028 provides much-needed protections in response to drug manufacturers aiming to limit or eliminate the use of contract pharmacies by 340B covered entities, which threatens the purpose of the 340B statute and is not authorized by law. We support the proposed language in that it prohibits drug manufacturers' discriminatory practices that could severely impact the financial benefit hospitals and health systems receive from participating in the 340B program. We are aware that other states have successfully passed similar legislation, and we support the proposed 340B contract pharmacy act language within Oregon.

As Oregon's largest health care provider, we understand the pressures facing our health care system, and Providence is committed to supporting solutions that allow us and other health care systems the ability to continue serving our communities. The -2 amendment of HB 4028 would prohibit drug companies from denying 340B discounts through contract pharmacy arrangements. We hope the Committee will join us in support of the -2 amendment of House Bill 4028.

Respectfully,

Mac Ovenell

Mac Ovenell, Pharm.D., M.S., 340B ACE
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