

Please support HB 3409A

From the Desk of

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The Oregon Primary Care Association (OPCA) and Oregon's 33 Federally Qualified Health Centers (FQHCs) support HB 3409A because it would reduce administrative burden, improve pharmacy access, and increase transparency and compliance in the 340B Program.

The bill relates to the 340B Drug Pricing Program which was created by Congress in 1992. The goals of this bill are:

1. to reduce administrative burden on FQHCs and community pharmacies
2. improve 340B Program transparency for drug manufacturers and compliance with PBM data requirements

Drug manufacturers and Pharmacy Benefit Managers (PBMs) want to know which drugs are dispensed using the 340B Program. This is because agreements between manufacturers and PBMs dictate that the manufacturer only discounts a medication once. So, if a drug is dispensed to a patient under the 340B Program, the PBM does not also get a rebate. However, if the 340B covered entity or its community pharmacy partner dispenses a drug that isn't 340B then the PBM is eligible for a rebate.

Currently, PBMs require the FQHC to do the administrative work to indicate which drugs are 340B. HB 3409A proposes that manufacturers, PBMs and FQHCs should all work with a neutral clearinghouse to share this data. FQHCs would enter their data, and manufacturers and PBMs would retrieve that data. Here's how it currently works:

Let's say a patient named Mary went to an FQHC and got antibiotics. Mary then leaves and goes to her neighborhood pharmacy to fill that medication. That night, the FQHC and the pharmacy send all their claims data to a third party and the third party determines that Mary's prescription was 340B eligible and therefore the drug is eligible for a discount. It then sends the data back to the pharmacy and PBMs require the pharmacy reopen that claim and *manually* indicate in their system that Mary's prescription was 340B eligible.

Under HB 3409A, that third party would be accessible to manufacturers and PBMs and they could get the data directly from the clearinghouse instead of requiring the retroactive administrative process of applying the identifier to each claim.

Federally Qualified Health Centers solicited feedback from Bio, PhRMA, and PCMA in the initial drafting of this legislation to ensure this bill provides all information these entities currently receive, albeit through a more transparent and more neutral process.

We urge your support of this common sense transparency fix. Vote "Aye" on HB 3409A

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