



Senate Committee on Health Care
February 27, 2025

RE: Support for Senate Bill 533

Chair Senator Patterson, Vice Chair Senator Hayden and members of the Senate Committee on Health Care:

My name is KC Bolton, and I am the CEO at Aviva Health, a Federally Qualified Health Center (FQHC) located in Douglas County, Oregon. Aviva Health serves over 18,000 patients annually, providing vital medical, dental, behavioral health and support services to underserved populations in our rural community. These services are made possible, in part, through the savings generated by the 340B Drug Pricing Program from our in-house pharmacy and over **50** contract pharmacies.

The 340B program enables us to purchase medications at a deep discount, which directly benefits our patients by ensuring they have access to essential medications, regardless of their ability to pay. Furthermore, we utilize the savings from the 340B program to expand other services in our community, such as mobile medical units that bring care to remote areas and clinical support services that address social determinants of health. These are just a few of the critical programs that will be at risk without 340B savings.

Unfortunately, as manufacturer blocks, which do not apply to our in-house pharmacy, have increased over the years, our potential for 340B revenue has decreased. As a result, each year, we lose the ability to invest in certain programs and services that we would otherwise be able to fund if we had not experienced this revenue loss due to manufacturer restrictions. For example, during this past budget cycle, we were unable to invest in 3D printing for our dental department, which directly impacts our ability to provide denture services to our community. As the only denture clinic for the uninsured in Douglas County, this has had a significant negative impact on our community's access to essential dental care.

This scenario plays out every budget cycle, where vital equipment or programs are unable to be funded because of the lost revenue resulting from manufacturer blocks. The inability to invest in these key services directly affects our patients and the overall health of our community.

In 2024 alone, Aviva Health benefited from more than \$1.73 million in 340B savings, with approximately half of those savings from contract pharmacies. These funds supported services that are vital to our community's health, such as:

- **Rehabilitative Dental Services:** Including prosthodontic care, which is crucial for underserved populations in our area. We rely on 340B savings to mitigate the costs of these non-Medicaid-covered services.
- **Mobile Medical Services:** Serving the rural areas of Douglas County, providing essential care to individuals who would otherwise have no access to healthcare.



- **Clinical Support Services:** Such as our Chronic Care Management and Social Determinants of Health programs, which help thousands of patients manage chronic diseases and improve their overall quality of life.

Oregon has one of the best models of prevention of duplicate discounts in the nation, which is the reason often cited by manufacturers for implementing these restrictions in the first place. Moreover, the **340B savings are funded through zero taxpayer dollars**. And yet, manufacturers have been implementing restrictions on contract pharmacies for nearly 5 years.

Without the ability to continue utilizing 340B savings, Aviva Health will be forced to make difficult decisions that will negatively impact our ability to offer these critical services. We operate on very slim margins, and the loss of 340B revenue will force us to scale back or eliminate many of the programs that are essential to the health and well-being of our community.

Additionally, the loss of 340B savings is further compounded by the rising costs associated with delivering healthcare services. Inflation and increasing workforce costs have placed an additional burden on health centers like Aviva Health. These challenges only deepen the financial strain we face, making it even more difficult to provide the level of care our patients rely on. As operating expenses continue to rise, decreased revenue from 340B discounts directly impacts on our ability to sustain and expand critical services.

It is for these reasons that we strongly support the passage of Senate Bill 533, which will safeguard 340B savings and ensure that health centers like ours continue to be able to provide the affordable, accessible care that our patients depend on. This legislation is essential for protecting the financial stability of FQHCs and ensuring that we can continue to serve our most vulnerable populations without compromise.

We respectfully urge you to support Senate Bill 533 and protect the critical resources needed to continue our mission of improving healthcare access for underserved communities. Your support is crucial in ensuring that health centers like Aviva Health remain financially stable and able to provide the services our communities rely on.

Thank you for your time and consideration.

Respectfully submitted,



KC Bolton, CEO
Aviva Health






Letter to Sentate Health Care Committee from Aviva Health

Final Audit Report

2025-02-27

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