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House Committee on Behavioral Health and Health Care

DATE: March 3rd, 2025

RE: Support for House Bill 2385

Chair Nosse, Vice Chairs Nelson and Javadi, and members of the House Committee on Behavioral Health and Health Care,

My name is Steve Strang, and I am the Chief Financial Officer for Mosaic Community Health. I am writing to express support for HB 2385. House Bill 2385 will prevent pharmaceutical manufacturers from imposing restrictions on the number of contract pharmacies where FQHC patients can receive discounted 340B medications. This bill will protect medication access and health center services for all Oregonians. As such, we respectfully request your support for House Bill 2385.

Mosaic is a Federally Qualified Health Center providing comprehensive primary care, behavioral health, dental care, addiction treatment, and pharmacy services. We operate 16 clinics in Central Oregon that serve over 30,000 lives. Over 60% of our patients live just at or below the Federal Poverty Level. We serve primarily Medicaid and Medicare patients of all age ranges, from pediatrics to seniors.

At Mosaic, it is our mission to care for the underserved, regardless of whether our patients have the ability to pay. We are able to do this through federal grants, and through the 340B program, which once accounted for is around 9% of our total budget.

We are mandated to reinvest every dollar saved in the 340B program and use it to provide services to our patients. This enables us to provide medications and healthcare at little to no cost.

Since 2020, we have seen pharmaceutical manufacturers make concerted efforts to erode the 340B program by unilaterally opting out of contract pharmacy arrangements.

PHARMA will tell you that they have applied restrictions and opt out because the 340B program is being abused, that it lacks oversight, and that dollars are not going to help patients with affordability. In Oregon those assertions are absolutely false. Our state has some of the strongest 340B Program oversight in the country, in fact, we are held up as a model for other states. They call it the 'Oregon approach'. Every prescription claim that uses 340B from contract pharmacies is submitted to the OHA quarterly to ensure there are no duplicate discounts. Every covered entity in the 340B program goes through extensive monthly and annual audits to ensure compliance. And every dollar saved furthers our mission of providing affordable care for all.

The current manufacturer restrictions and opt outs have contributed to PHARMA's record profits, which total over a \$1.6 trillion in 2023. Funds that could go to further care for low-income Oregonians are instead going to corporate profits. Additionally, the manufacturers apply these opt

outs randomly, by drug, and with out warning, which makes financial forecasting, and organizational planning, uncertain.

Since the beginning of these contract pharmacy restrictions, Mosaic has lost over \$3.7 million in 340B savings; savings that would go directly towards affordable health care services for our patients.

When the 340B dollar stays at the health center, it meaningfully changes Oregonians lives. We ask you to hold PHARMA accountable for their participation in 340B. To revitalize the program as it was intended. And to support us in providing healthy and thriving communities in Oregon. Thank you for your time.

A handwritten signature in black ink, appearing to read 'Steve Strang', written over a horizontal line.

Steve Strang, MPH, MBA
Chief Financial Officer
Mosaic Community Health