



March 6, 2025

Senate Committee on Health Care

Sen. Deb Patterson, Chair

Sen. Cedric Hayden, Vice Chair

Chair Patterson, Vice Chair Hayden and members of the committee,

For the record, my name is Jennifer Zanon. I serve as Director of Supply Chain and Compliance for Pharmacy Services at OHSU.

As a safety-net and disproportionate share hospital, OHSU participates in the federal 340B Drug Discount Program. This means that we are eligible to purchase prescription drugs necessary for the care and treatment of our qualified patients at a discounted price.

The savings we achieve in this purchasing arrangement with the big drug manufacturers allows OHSU to stretch our resources further to meet the needs of our Medicaid population and expand access to additional pharmacy and healthcare services patients need. It also makes the most expensive specialty drugs, such as those utilized in the treatment of cancer, more accessible to our patients.

The 340B Drug Discount Program has been a successful federal program for over three decades. 340B was designed to ensure drug companies do their part to serve patients most in need.

Pharmaceutical companies largely supported 340B when it was created and have worked collaboratively with safety net hospitals for years to provide lower cost

drugs. In the last few years, however, pharmaceutical companies have put in place restrictions on safety net hospitals, like OHSU, that have developed extended pharmacy networks

The reason OHSU has extended pharmacy networks is due to the insurance payer landscape which forces many OHSU 340B qualified patients to fill their prescriptions at a multitude of other pharmacies, including out of state mail order or specialty pharmacies, instead of allowing them to fill those prescription medications at an OHSU pharmacy where those drugs would qualify for a 340B purchase. Due to this change, covered entities including OHSU, have expanded their contract pharmacy agreements to hundreds of pharmacies across Oregon and the nation to achieve the savings that we are legally intended to receive. These savings are then used to 'stretch scarce federal resources' by expanding access to other services for Oregonians including infusion services at more locations.

For OHSU, these savings are vital as more than 50 percent of our patients reside outside the Portland metro area, and we serve thousands of Oregonians every year who live in every one of Oregon's 36 counties.

We support Senate Bill 533 which prohibits drug manufacturers from denying or restricting access to 340B discounted drugs at contract pharmacies that are our legally qualified savings from the 340B drug purchasing program. This will ensure drug companies fulfill their obligations under the 340B statute and support access for the most vulnerable Oregonians across the state to the medications they need.

Sincerely,

Jennifer Zanon, RPh.
Director of Supply Chain and Compliance for Pharmacy Services
OHSU Health