



**Date: 3/6/25**

**To: Oregon Senate Committee on Health Care**

**Chair Deb Patterson**

**RE: Letter in Support of SB 533 (Covered Entities acquiring 340B drugs)**

Chair Patterson, Vice Chair Hayden, and Members of the committee. My name is Chris Laman, Vice President from Columbia Memorial Hospital, which is a 25-bed critical access hospital in Astoria. I am writing in support of SB 533, which prohibits drug manufacturers from interfering, directly or indirectly with certain entities acquiring 340B drugs, delivering 340B drugs to certain health care providers or dispensing 340B drugs.

The 340B Pricing Program has a significant impact on how patients receive care throughout the state, particularly in rural communities, like my home of Astoria, Oregon. As you all know, residents of rural communities like the one I live in, face unique challenges in accessing quality healthcare. 340B plays a crucial role in supporting Columbia Memorial Hospital's mission of helping people in our community live their healthiest lives.

Rural healthcare faces significant obstacles, including provider shortages, limited hospital resources, and higher rates of chronic diseases. Many of our rural hospitals are struggling to keep their doors open, leading to closures of critical programs that leave our communities without essential medical services. The intent of the 340B Program is to help safety-net providers stretch scarce resources to better serve vulnerable populations, ensuring that patients in rural areas receive necessary care despite financial constraints. In return for voluntarily participating in the 340B program, pharmaceutical companies receive significant financial benefits from Medicare and Medicaid programs.

The 340B program has had a significant impact on access to healthcare services in rural communities like Astoria. During our last Community Health Needs Assessment we discovered that there was not a dentist in Clatsop County who was accepting Oregon Medicaid. This meant that in a county where more than 30% of our population utilize Medicaid for healthcare, people were having to travel to Portland for dental care. Our hospital knew that it was an unacceptable burden to place on people.

The cost savings generated by 340B allow my hospital to form a partnership to bring a mobile dental clinic to Astoria once per month. This program has provided free dental care to more than 150 individuals, more than 2/3 of who had Medicaid or no insurance. Another large portion had Medicare which does not currently provide dental coverage.

We have also used our 340B savings in additional ways to help the community where we saw there was a need. These savings have also been used to fund our compassionate care

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prescription program. Providing tens of thousands of dollars in free medications for qualifying patients each year. We have improved mental health services by placing social workers in each of our outpatient clinics and offer cancer screening events for underserved populations. The savings we receive from the program also allow us to continue to operate programs like maternity services, which, while not financially advantageous for the hospital, are a critical part of a healthy community.

Without 340B, many residents would face increased healthcare costs and reduced access to essential medications and services.

As the pharmaceutical industry has placed more and more restrictions on this program citing fraud and abuse, hospitals have continued to rigorously audit and track our eligible dispensations and purchases to ensure we are complying with the law. My hospital must meet strict compliance requirements to remain eligible for the program. At CMH we employ a 340B analyst who audits 340B dispensations and drug purchases, ensuring they are used for eligible patients. We work diligently to ensure there are no duplicate discounts or abuse of the system. In addition to our own staff, we employ an outside auditing company who does additional monthly auditing of prescriptions and purchases to ensure compliance. We contract an outside auditing firm who does a full program audit every two years. We have also undergone three full compliance audits by the U.S. Health Resources and Services Administration of our program. The requirements for compliance are complex and we take pride in operating a program that has had no findings during our last three external audits.

CMH is not alone in this level of commitment to program compliance. All covered entities undergo regular audits by the HRSA to confirm adherence to program guidelines. Failure to comply with these regulations can result in financial penalties or removal from the program. Therefore, maintaining transparency and accountability is essential to preserving the benefits of 340B for rural communities.

This Bill, which is very similar to those already passed in eight other states, will require pharmaceutical companies to provide the same access contract pharmacies that had been provided historically since the law was put in place.

Contract pharmacies make it easier for patients to access their medications, eliminating the need to travel to the hospital pharmacy for prescription drugs. The program allows patients to use their pharmacy. This is vitally important for patients in rural communities like Astoria.

This program does not cost the state or federal taxpayers anything and will help all of the critical access hospitals in our state. I sincerely appreciate this opportunity to speak with you and urge your support for this important measure.

Sincerely,

Chris Laman PharmD.