



March 6, 2025

Oregon State Legislature  
Senate Health Care Committee  
900 Court Street NE  
Salem, OR 97302

*Submitted electronically via OLIS*

**RE: SB 533, relating to restrictions on 340B covered entities**

Chair Patterson and Members of the Committee:

Samaritan Health Services is a non-profit regional health system that provides care to people in Benton, Linn, Lincoln and parts of Marion and Polk counties, where we strive to live out our mission of “Building Healthier Communities Together” every day. My passion and my training have been in pharmacy, as I am a licensed Pharmacist and was previously the Chief Pharmacy Officer the entire SHS system. Thank you for the opportunity to testify in support of Senate Bill 533 that prohibits manufacturers from restricting 340B savings from contract pharmacies.

We service a high proportion of the underserved and most vulnerable uninsured and underinsured patients which is why SHS qualifies for the 340B program. In 2022 Samaritan provided \$172M in uncompensated care. The savings from our 340B program offsets just a small portion of the uncompensated care we provide.

The intent of the 340B program is to provide more comprehensive services to a greater number of patients through the savings qualified entities, such as hospitals, can invest. Samaritan uses its 340B savings consistent with the intent of the 340B program.

Some of the ways Samaritan has used these savings include:

- Developing a medication assistance program to provide free generic drugs to those who cannot afford their medication and to assist patients with obtaining brand name drugs. Achieving over \$24M in financial assistance to pay for medicines provided through this program in 2023.

- In 2023, we opened a new clinic and a pharmacy in rural Sweet Home, Oregon after the closure of Bi-mart pharmacy. We also added a pharmacy on the OSU campus to serve students, faculty, and the Corvallis community after the closure of OSU Student Health Services Pharmacy and Bi-mart in Corvallis. And as recent as the beginning of this year, we opened a retail pharmacy in Lincoln City. SHS is investing in medication access for our community, while other pharmacies are going bankrupt and closing, creating pharmacy deserts.
- Fund pharmacists in our Cancer Center, Rheumatology and community outreach clinics to expand patient access and ensure thorough monitoring.

SHS ability to continue these investments and ensuring patient have access to pharmacies in their communities or medication access is becoming more and more difficult and challenging as pharmaceutical manufacturers implement policies to restrict 340B savings from contract pharmacies. In 2020, SHS had \$12M in 340B savings from contract pharmacies. In 2021, those savings dropped to \$8M and in 2024 we experienced only \$1.5M in savings. This leads to difficult unfavorable to budget variances and less money in our community to build healthier communities together.

Opponents will question the rigor of HRSA audits. I'm here to tell you how seriously SHS takes 340B program integrity and the rigorous audits HRSA puts us through. For SHS', we have 6 employees on our 340B team who continually self-audit our electronic health and prescription records to maintain compliance. We go through annual mock audits with third party auditors to confirm compliance. Our last HRSA audit was in 2021 at GSRMC and we had no diversion findings or any findings at all.

Thank you for bringing this issue forward so patients have a choice in where they can have their prescriptions filled. I urge your support to SB 533 prohibiting manufacturers from restricting 340B savings from contract pharmacies.

Respectfully submitted,

Dan Rackham, CEO  
Samaritan Lebanon Community Hospital