

Date March 6, 2025

TO: The Honorable Senator Patterson, Chair
Senate Committee on Health Care

FROM: Annick Benson Scott, HIV/STD/TB Section Manager
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Public Health Division
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SUBJECT: SB 533

Chair Patterson and Members of the Committee,

On behalf of the HIV/STD/TB Section within Public Health Division at Oregon Health Authority we are pleased to provide information about the potential impact of SB 533 on the CAREAssist Program, which is Oregon's AIDS Drug Assistance Program. Each year, CAREAssist provides life-saving medicines to 4,000 people living with HIV. These medicines help people achieve and maintain HIV viral suppression, which means longer, healthier lives for them and zero transmission to sex partners. Let me emphasize that point: HIV treatment is also HIV prevention.

CAREAssist, as a federal grantee, is a 340B Drug Pricing Program covered entity – that is, a safety net provider that is eligible to purchase reduced-cost pharmaceuticals. CAREAssist contracts with a network of pharmacies in Oregon to deliver medications to CAREAssist clients statewide. These contract pharmacies were chosen based on geographic need and ability to provide specialized adherence services. Brick and mortar pharmacies in rural, frontier, and urban locations, in combination with a statewide mail-order pharmacy, are important components of CAREAssist's safety net for clients living with HIV.

800 NE Oregon ST, Ste 1100, Portland OR 97232

<https://www.oregon.gov/oha/PH/DiseasesConditions/HIVSTDViralHepatitis/HIVCareTreatment/CAREAssist/Pages/Program-Information.aspx>

In 2020, pharmaceutical manufacturers began restricting distribution of 340B priced drugs to contract pharmacies; at least 29 manufacturers have enacted restrictions on 340B covered entities using contract pharmacy models. These restrictions eliminate the CAREAssist Program's ability to obtain insurance reimbursements to cover costs. Over the 2-year period of 2023-24, CAREAssist sustained estimated program losses of more than \$500,000, due to manufacturer restrictions on 340B.

Furthermore, some manufacturer policy changes are impossible for CAREAssist to implement. CAREAssist is required to serve eligible people statewide. By restricting 340B pricing to only one central-fill pharmacy or eliminating mail order, as mandated by some manufacturers, a low-income client living in Pendleton or Burns would be required to travel to and from Portland to fill monthly prescriptions. These restrictions block access to needed medication for people living with HIV in Oregon, along with other low-income Oregonians who are eligible for reduced pricing medications. More than half of CAREAssist clients live outside of Multnomah County.

Federal grantees, like CAREAssist, are required by law and regulation to focus services on underserved populations and to invest all 340B savings into supportive activities that are consistent with the grant. Oregon's CAREAssist program, and adjunct programs serving people with HIV, rely on 340B savings to fund safety net services. As more drug companies impose more restrictions, these savings are lost to the covered entity, impacting the program's stability and ability to serve Oregonians, as the 340B program intended.

State legislatures across the country are acting to protect 340B. We are happy to be a resource to you as you consider the merits of SB 533 for Oregon. Thank you for the opportunity to provide this written testimony.