

Date March 11, 2025

TO: The Honorable Rob Nosse
House Committee on Behavioral Health and Health Care

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SUBJECT: HB 2385

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

On behalf of the Oregon Health Authority, Public Health Division, HIV/STD/TB program, we are pleased to provide testimony on HB 2385. The CAREAssist Program is Oregon's AIDS Drug Assistance Program. Each year it provides life-saving medicines to 4,000 people living with Human Immunodeficiency Virus (HIV). These medicines help people achieve and maintain HIV viral suppression, which means longer, healthier lives for them and zero transmission to sex partners. 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.

In 2020, pharmaceutical manufacturers began placing restrictions on 340B programs like ours, which use contract pharmacies; since then, at least 29 manufacturers have enacted restrictions on 340B covered entities using contract pharmacy models.

CAREAssist is required to serve eligible people statewide. Some of these manufacturer policy changes and restrictions are impossible for CAREAssist to implement, and they eliminate the CAREAssist Program's ability to obtain insurance reimbursements to cover costs. For example, some manufacturers have restricted 340B pricing to only one central-fill pharmacy or have eliminated mail order. These restrictions would mean 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.

Over the 2-year period of 2023-24, CAREAssist sustained estimated program losses of more than \$500,000, due to manufacturer restrictions on 340B.

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. Together, 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.

Thank you for the opportunity to provide this written testimony.