Submitter:	D Torres
On Behalf Of:	
Committee:	Senate Committee On Health Care
Measure, Appointment or Topic:	HB2385

Chair & Committee Members,

I OPPOSE HB 2385.

I believe that this legislation could have unintended negative consequences that could ultimately undermine the goals of the 340B program and harm both patients and the healthcare system as a whole.

The bill overlooks the need for quality control and safeguards in the distribution of 340B drugs. The 340B Drug Pricing Program was designed to help safety-net providers serve vulnerable populations by reducing drug costs. However, the program's integrity relies on ensuring that the drugs are distributed appropriately to the entities that meet the program's requirements. Drug manufacturers need to have safeguards in place to ensure that the drugs are being dispensed appropriately to eligible patients and organizations. Prohibiting manufacturers from requiring utilization review data or engaging in oversight activities can undermine these safeguards and open the door to potential abuse of the 340B program, ultimately diverting resources away from those who need it most.

This bill could also lead to increased costs for manufacturers and, ultimately, consumers. By restricting the ability of manufacturers to manage and monitor the flow of 340B drugs, the bill could force manufacturers to absorb additional costs associated with managing the program. These added costs may ultimately be passed on to the health care system or consumers in the form of higher drug prices or reduced availability of drugs. Additionally, manufacturers might be compelled to scale back their participation in the 340B program or limit access to certain drugs altogether, further reducing access for vulnerable populations.

This type of legislation could disrupt existing relationships between drug manufacturers, pharmacies, and health care providers. Drug manufacturers and providers are partners in ensuring that patients receive safe and effective medications. The bill removes the ability of manufacturers to ensure that 340B drugs are being distributed appropriately to eligible entities, which could strain the relationship between manufacturers and health care providers. Such disruptions could result in fewer manufacturers willing to participate in the program, ultimately limiting access to important medications.

Lastly, the bill removes a crucial mechanism for ensuring compliance with 340B

program rules. Without the ability for drug manufacturers to review utilization data or verify compliance, the program could become more susceptible to fraud or misuse. This lack of oversight could result in some entities receiving 340B discounts inappropriately, reducing the resources available to those who truly qualify for the program. While the bill seeks to protect pharmacies and health care providers, it could inadvertently create an environment where the program is less effective and less transparent.

For these reasons, I respectfully urge the Committee to NOT pass this bill.