

Neighborhood Health Center uses the 340B program to benefit our patients

Good morning members of the Oregon Senate Committee on Health Care. My name is Dr. Jennifer McElravey, and I'm Director of Pharmacy for Neighborhood Health Center (NHC). Our organization is a Federally Qualified Health Center that relies on the **340B Drug Pricing Program** to significantly reduce the cost of medications for our patients, particularly those who are uninsured or underinsured. Our health center provides primary care, dental, behavioral health, and pharmacy services to about 19,000 patients who live in Washington, Clackamas, and Multnomah Counties. Ninety-six percent of our patients have income levels at or below 200% of the Federal Poverty Limit, 10% are uninsured, and 45% identify as an ethnic minority. Twenty-eight percent of our patients are best served in a language other than English. As Pharmacy Director, I'm concerned that since 2020, manufacturer blocks on ordering 340B drugs for contract pharmacies have significantly decreased the 340B savings that our health center relies on as well as made it more difficult for patients to obtain 340B drug discounts at these pharmacies. I also have concerns about further manufacturer restrictions on the program and the potential impact these could have. Because of the restrictions, we adapted our program this year to decrease the amount of charity care that we provide to our patients through our contract pharmacies.

There are three ways that NHC currently leverages the 340B program:

1. Reduced medication costs for the most vulnerable patients

The 340B program allows NHC to purchase medications at a discounted rate, sometimes as much as 50% or more below the market price. This enables us to offer low-cost medications to patients, improving access to necessary treatments, especially for those who may not be able to afford them otherwise.

Our organization spends about \$200,000 annually on drugs that are administered during office visits by our providers, such as IUDs for long-acting contraception. An IUD through the 340B program is about \$300 and is about \$600 at the non 340B price.

About 38% of the prescriptions dispensed through our pharmacy are for uninsured or underinsured patients and are dispensed on a sliding fee discount. The patient pays only the medication 340B cost plus a nominal dispensing fee. NHC uses our 340B savings to provide medications for chronic conditions like diabetes, hypertension, and HIV/AIDS. The cost savings on these often-expensive medications help our patients manage their long-term health without financial strain.

2. Revenue Generation for Expanded Services

Our health center dispenses prescriptions to patients either directly through our in-house pharmacy or by contracting with external pharmacies. The savings generated through the 340B program are reinvested into NHC to expand services. These include clinical pharmacy and behavioral health services and two School Based Health Centers (SBHC). Our SBHCs serve about 250 patients per month. This encounter rate has doubled from 2023 to 2024. About 29% of SBHC visits are for uninsured or self-pay patients.

3. Enhanced Access to Care

By offering affordable medications to our patients, NHC helps patients adhere to their treatment plans more effectively. This reduces hospitalizations and emergency room visits by preventing complications from untreated conditions and improves overall community health.

Through the 340B program, NHC is able to stretch our financial resources further, provide more comprehensive care, and improve health outcomes for the populations we serve. I appreciate the opportunity to speak today and I'm available to answer any questions.

Thank you