



February 21, 2024

Dear Representative Nosse:

Thank you for your February 20 letter requesting information regarding the financial impact of manufacturer restrictions on the 340B program to Oregon Health Authority's CAREAssist Program.

We appreciate your question, and below you'll find Oregon Health Authority's response to your inquiry.

How much revenue has Oregon Health Authority lost due to contract pharmacy restrictions imposed on Oregon Health Authority's CAREAssist program?

Oregon's AIDS Drug Assistance Program, known locally as CAREAssist, put several administrative policies in place to mitigate loss of revenue from manufacturer restrictions on 340B contract pharmacies. Because of these preemptive moves, CAREAssist's loss of revenue has been less than other 340B Covered entities, like Federally Qualified Health Centers and 340B Clinics.

In 2023, we estimate a financial loss of \$300,000 due to 340B contract restrictions. These losses are based on just under 1,000 claims related to drugs from only four manufacturers. Please note that these are conservative estimates.

However, we expect that continued restrictions, adopted by an ever-growing number of manufacturers, will impact the program budget significantly moving forward. Today, at least 29 manufacturers have imposed 340B restrictions. The Health Resources and Services Administration (HRSA), which administers the federal AIDS Drug Assistance Program, estimates a 25-50% savings on each drug purchased through 340B.

In addition to future financial impacts that could result in cuts in services to CAREAssist clients, 340B contract restrictions jeopardize the 4,000 people living with HIV served by Oregon's CAREAssist Program because:

- **These restrictions block access to medications for people living with HIV in Oregon.** For example, by restricting 340B access to only one pharmacy, a low-income client living in Pendleton or Burns could be required to travel to Portland to fill monthly prescriptions for needed prescription drugs.
- CAREAssist is required to serve eligible people statewide. **Manufacturer restrictions are impossible for CAREAssist to implement.** For example, some manufacturers requires that CAREAssist use a pharmacy within 40 miles of program headquarters (in Portland), and some disallow mail-order. These

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restrictions would block access to clients living outside the Portland metropolitan area, if implemented.

- **Limits access to local pharmacy services in the community where the client resides.** People with HIV rely on local adherence services, free access to immunizations and health screenings, and sexual wellness supplies from CAREAssist contract pharmacies, located in communities across Oregon

We hope this answers your question and provides more clarity on this matter. Please do not hesitate to reach out if you have any further questions or clarifications.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Cara Biddlecom', with a stylized flourish at the end.

Cara Biddlecom, MPH
Interim Public Health Director