

February 6, 2024

The Honorable Rob Nosse, Chair
House Committee on Behavioural Health & Health Care

Delivered via OLIS

RE: Support for HB 4010 Section 3 – 340B contract pharmacy

Dear Chair Nosse, Members of the Committee:

Salem Health is a nonprofit health system serving the mid-Willamette Valley. Our system of integrated care includes primary, specialty, urgent, and acute care at locations from Woodburn to Salem to Dallas. Our mission is to improve the health of the people and communities we serve. That mission spans all operations of Salem Health, from primary care clinics to our busy emergency departments and hospitals.

I'm pleased to write in support of HB 4010 as introduced. Section 3 of the bill would support our mission of enhancing well-being in our community.

The 340B program reduces the prices of outpatient pharmaceuticals and helps providers serving vulnerable populations, particularly individuals covered by Medicaid. While Medicaid does not reimburse the full cost of care, the 340B program helps defray some of those unreimbursed costs and fund local population health initiatives.

Pharmaceutical manufacturers have attacked the 340B program to the point where contract pharmacies no longer offer discounted 340B drug prices. Section 3 would fix this problem and is a creative way to help support community health programs at local hospitals without costing the state any money.

Salem Health has an innovative medication management clinic which has historically be funded partly through 340B savings. The clinic provides monitoring, medication adjustment, and education for people with complex chronic medical conditions. Over the past few years, metrics indicate that high-risk patients at this clinic increased their life expectancy by 7.1 years for men and 8 years for women, *for a combined total of 5,903 life years*. This medication management clinic was operated with savings from 340B until drug manufacturers banned use of contract pharmacies in states with no preventative statutes. Because of their actions, it's untenable to expand this clinic to accept more patients or deal with more chronic conditions.



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Government funded health coverage has not kept pace with the actual cost of delivering care. This means that programs like 340B are even more important to Salem Health's mission of providing care for all who need it, regardless of insurance coverage or their ability to pay.

Section 3 of HB 4010 is a simple but powerful way to support Oregon's safety net providers and the vulnerable patients they serve. I urge you to support HB 4010 as introduced.

Sincerely,

A handwritten signature in cursive script that reads "Cory Rahn".

Cory Rahn, PharmD
Chief Pharmacy Officer