

## Testimony to House Rules Committee 2-22-24

Good afternoon, Chair Fahey and committee. My name is Dan Rackham. I am a Pharmacist and the Chief Pharmacy Officer for Samaritan Health Services. Thank you for the opportunity to testify in support of House Bill 4028, dash 2 amendment that prohibits manufacturers from restricting 340B savings from contract pharmacies.

Samaritan is a regional, nonprofit, integrated health care system with 5 340B hospital covered entities serving primarily Linn, Benton, and Lincoln counties. Our mission is “Building Healthier Communities Together.”

Since 2020, we have experienced pharmaceutical manufacturers implementing policies to restrict 340B savings from contract pharmacies. In 2020, we had \$12M in 340B savings from contract pharmacies, those savings dropped to \$8M in 2021, \$5M in 2022, and \$4.8M in 2023.

This has led to difficult unfavorable to budget variances and less money in our community to build healthier communities together.

We service a high proportion of the underserved and most vulnerable uninsured and underinsured patients which is why we qualify for the 340B program. In 2022 Samaritan provided \$172M in uncompensated care. The savings from our 340B program offsets just a small portion of the uncompensated care we provide.

Samaritan uses our 340B savings consistent with the intent of the 340B program – to provide more comprehensive services to more patients.

We have used savings to:

- Develop a medication assistance program to provide free generic drugs to those who cannot afford their medication and to assist patients with obtaining brand name drugs. We achieved over \$24M in financial assistance to pay for medicines provided through this program in 2023.
- In 2023, we opened a new clinic and a pharmacy in rural Sweet Home, Oregon after the closure of Bi-mart pharmacy. We also added a pharmacy on the OSU campus to serve students, faculty, and the Corvallis community after the closure of OSU Student Health Services Pharmacy and Bi-mart in Corvallis. We are investing in medication access for our community, while other pharmacies are going bankrupt and closing, creating pharmacy deserts.
- Fund pharmacists in our Cancer Center, Rheumatology and community outreach clinics to expand patient access and ensure thorough monitoring.

Opponents have questioned the rigor of HRSA audits and I'm here to tell you how seriously we take 340B program integrity and the rigorous audits HRSA puts us through. I have 6 employees on our 340B team who report directly to me, and continually self-audit our electronic health and prescription records to maintain compliance. We go through annual mock audits with third party auditors to confirm compliance. Our last HRSA audit was in 2021 at GSRMC and we had no diversion findings or any findings at all.

I urge your support of the dash 2 amendment prohibiting manufacturers from restricting 340B savings from contract pharmacies. I am happy to answer any questions you may have. Thank you.