

MEMORANDUM

To: Chair Patterson, Vice Chair Hayden, and members of the Senate Committee on Health Care

From: Marty Carty, Governmental Affairs Director, Oregon Primary Care Association

Date: February 26, 2025

Re: Support SB 533

Thank you for the opportunity to express our support for SB 533 relating to 340B contract pharmacy restrictions imposed by drug manufacturers on Federally Qualified Health Centers (FQHCs). FQHCs serve Oregon's most medically disadvantaged and historically underserved populations.

The populations served by health centers, particularly patients in rural areas and those with mobility and transportation barriers, are already disproportionately impacted when it comes to challenges accessing medication. This is especially true in "Pharmacy Deserts", or locations with more than ten miles between pharmacy locations.

Starting in 2020, at the height of the COVID pandemic, **major drug manufacturers announced they would restrict the discounting of 340B drugs** at contract pharmacies used by covered entities like FQHCs. These restrictions have increased significantly as other drug companies have followed suit. Manufacturer **contract pharmacy restrictions limit the number of locations where patients can fill prescriptions** and deepen existing health inequities many patients experience by making it more difficult to access lifesaving medications at an affordable cost.

We are deeply concerned that making prescriptions **harder to fill** will inevitably lead to individuals **not taking their prescribed medications**, leading to more complex health issues, lower quality of life for the patient, and higher costs to the health care delivery system.

The 340B program is more than just discounted medications. Limiting contract pharmacy access also has a direct impact on the ability of 340B covered entities to **reinvest in care for medically underserved populations**. 340B supports healthcare entities covered by the program to invest in wrap-around services that facilitate care delivery, including **medication adherence programs, substance use disorder treatment, discounted labs, maternal and dental care, transportation, and more**.

In calendar-year 2023, drug manufacturers' contract pharmacy restrictions resulted in **drug companies keeping \$10.5 million** that should have gone to Oregon's FQHCs to invest directly in improving access to health care. Instead, those companies added those millions to their bottom line. Forcing safety net providers to find other means by which to provide discounted medications, fund

unreimbursable services and programs all of which has a direct impact on Oregonians.

We believe a robust network of contract pharmacies to be essential for access and health equity in Oregon. As such, we are proud to endorse SB 533.

Sincerely,

Marty Carty
Governmental Affairs Director

The Oregon Primary Care Association (OPCA) is the nonprofit membership organization for the state's 34 federally qualified health centers (FQHCs). OPCA member clinics deliver comprehensive, culturally responsive integrated medical, dental, and behavioral health services for traditionally underserved communities. As a unifying voice of Oregon's FQHCs, OPCA drives transformative policy development to advance health equity across the state and beyond.

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