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Chair Nosse, Vice Chairs Nelson and Javadi and members of the House Committee on Behavioral Health and Health Care,

My name is Phil Kotlyarevskiy, and I am the 340B Pharmacy Manager at Neighborhood Health Center (NHC). I am submitting this written testimony in support of HB 2385. NHC is a Federally Qualified Health Center (FQHC) that provides comprehensive primary, behavioral, pharmacy, and oral health care to approximately 23,000 Oregonians across Washington and Clackamas Counties. As of 2023, **61% of our patients live at or below 100% of the Federal Poverty Guideline**. Many of which experience significant social determinants of health (SDOH) that impact their well-being, especially those with limited health literacy, making it challenging to understand diagnoses, adhere to treatment plans, and navigate health coverage.

We are partially funded by the 340B program which, as you may know, operates without the reliance on taxpayers' dollars. Federal law requires that 340B savings be reinvested to expand care access for patients in safety-net clinics. These clinics generally support underserved communities and help advance health equity of the most vulnerable populations. At NHC, savings from the 340B program help cover the cost of dispensing medications to our low-income uninsured patients, allowing them to receive prescriptions for a nominal fee or, in many cases, at no cost.

Since mid-2020, many pharmaceutical manufacturers have refused to ship 340B drugs to health center contract pharmacies. With a \$45 million operations budget, NHC has faced an **annual \$2.2 million loss in 340B revenue**, limiting our ability to reinvest in care for some of Oregon's most underserved communities. Most importantly, these contract pharmacy restrictions have decreased access to essential medications for patients who need them most. With 54 contract pharmacies and only one in-house pharmacy, manufacturer restrictions force some patients—like those in Milwaukie for example—to travel all the way to our Canby location for essential medications, instead of accessing them at a nearby contract pharmacy at reduced cost. Many of our patients face transportation barriers, meaning that reduced access to medication can determine whether they take their prescriptions or go without – potentially leading to emergency room visits and increased costs for Oregon taxpayers. HB 2385 will protect patient access to lifesaving medication, and funding for safety net clinics like NHC. It will mean that we can continue offering comprehensive health care and programs that support patients' social determinates of health.

We believe that **holding pharmaceutical manufacturers accountable for their obligations under the 340B program** is the right approach, rather than shifting this burden onto taxpayers. We urge your support for this policy to safeguard access to health care for communities across Oregon. Thank you for your time and I am more than happy to answer any of your questions.

Sincerely,
Phil Kotlyarevskiy, PharmD