Submit via electronic mail

December 11, 2020

Honorable Mike DeWine
Governor
30th Floor
Vern Riffe Center
77 South High Street
Columbus, OH 43215

RE: SB 263, To amend sections 5164.751 and 5167.01 and to enact sections 3902.50, 3902.51, 4729.49, and 5167.123 of the Revised Code to prohibit a pharmacy benefit manager from taking certain actions with respect to reimbursements made to health care providers that participate in the federal 340B Drug Pricing Program

Dear Governor DeWine:

On behalf of OCHIN, I offer support for SB 263, which would ensure that federal 340B Drug Pricing Program (340B Program) payments are provided to the intended recipients of the funds: Ohio community-based providers. OCHIN is a nonprofit community-based health information technology and research organization that serves as a virtual nationwide health care system to providers in historically underserved communities. OCHIN members serve 240,000 Ohio patients with just under 1 million annual visits. The Ohio community-based providers eligible to participate in the 340B Program continue to deploy all available resources to provide patients in Ohio with medical care, including testing, vaccination, and treatment during the COVID-19 public health emergency. It is essential that the Ohio patients served by these providers receive the benefit of the federal 340B Program savings.

SB 263 would prohibit health plans and Medicaid managed care programs from imposing contract terms on community-based providers that reduce all, or part, of the federal 340B Program savings that eligible entities are qualified to receive. The 340B Program serves as a critical lifeline in advancing the mission of community health care organizations. Eligible OCHIN members actively participate in the savings available through this 340B Program and utilize the savings to provide care to underserved or uninsured patients, who may otherwise not have access to needed care. Due to market consolidations, large health plans, and their third-party administrators typically are the only option for small, community-based providers participating in the 340B Program. As a result of the foregoing, Ohio community-based providers have no alternative option to (1) accepting a reduced amount of the 340B program savings; (2) acquiescing to limited coverage of drugs purchased under the 340B Program; (3) paying higher administrative service fees relative to the rate charged to other providers; or (4) agreeing to administrative fee as a percentage of the provider’s 340B savings.

Ohio community-based providers are facing extraordinary resource challenges and need their existing sources of funding to maintain their immediate- and longer-term sustainability. It is critical that federal programs intended to strengthen Ohio’s community health care organizations remain available to provide health care services for Ohio patients. Now, more than ever, it is important that community-based
providers maintain predictable funding from state and federal health care programs and deploy funding meant to preserve the care of Ohio patients. We appreciate the opportunity to provide our comments. If you have questions, please contact me, stollj@ochin.org.

Sincerely,

[Signature]

Jennifer Stoll
Executive Vice President
Government Affairs & Public Relations