

UNIVERSITY OF MINNESOTA

April 4, 2024

Chair Wiklund and Committee Members,

I am writing to express my support for SF5159, Mann, Manufacturers and wholesale distributors prohibition from limiting pharmacy access to 340B drugs.

The 340B Drug Pricing program which was enacted by Congress in 1992 provides a way for critical health care providers (“covered entities”) to purchase discounted drugs from participating pharmaceutical companies. To qualify to participate in 340B, covered entities like community health centers, sexually transmitted infection clinics and hospitals must serve a disproportionate share of low-income patients or patients living in isolated rural communities. The program allows providers to offer more comprehensive services by stretching scarce resources as far as possible to give patients access to the healthcare services they need.

Currently, when drug companies deny the required discounted prices to contract or community pharmacies, they undermine the purpose of the federal 340B program, placing further significant financial strain on healthcare providers that rely on 340B savings to provide services to the low-income, underserved, and vulnerable.

There are currently over 30 drug manufacturers that are arbitrarily denying 340B pricing to safety net providers across the country. In 2021, nationwide restrictions from 21 drug manufacturers on community and specialty pharmacies accounted for the loss of **\$8.4 billion in funding from drug manufacturers**. Today, the number of drug manufacturers denying 340B pricing continues to grow, diverting millions of health care dollars from crucial health care providers across the country. These dollars are vital for ensuring underserved patients continue to have access to high quality, local health care services regardless of their income or zip code.

At Community University Health Care Center (CUHCC), both un- and under-insured patients rely on 340B pricing to afford their medications to control their chronic conditions, like diabetes and asthma. Given the multiple manufacturer restrictions throughout the years, providers have had to switch patients from first line therapies to less effective alternatives or forgo an entire class of medication because the cost is so prohibitive. This in turn results in the creation of even larger inequity between those patients that are able to get the best, recommended medications to achieve their health goals and those that cannot.

I urge your support of SF5159 which will safeguard the integrity of the 340B program, ensure equitable access to comprehensive health care services for all Minnesotans, particularly those in rural or low-income areas, and support the financial stability of health care providers serving these communities. This action is not just a matter of health policy but a crucial step towards health equity, ensuring that the benefits of the 340B program reach those it was intended to help.



Kim Tran, PharmD
Director of Pharmacy
Community University Health Care Center (CUHCC)