



M. Teresa Paiva Weed
President

March 19, 2024

The Honorable Susan R. Donovan
House Committee on Health and Human Services
Rhode Island State House
82 Smith Street
Providence, Rhode Island 02903

Re: SUPPORT – H. 7879

Dear Chairperson Donovan,

The Hospital Association of Rhode Island (HARI) and its members strongly support H.7879, an act which prohibits any manufacturer, health insurer, or pharmacy benefit manager from discriminating against any 340B entity participating in a drug discount program.

For three decades, the 340B program has effectively helped healthcare providers stretch federal resources, aligning with Congress' objectives. Savings from discounted outpatient drugs enable 340B hospitals to offer diverse programs and services directly benefiting patients, such as medication therapy management, diabetes education, behavioral health services, opioid treatment, and access to free or discounted drugs.

Amidst escalating drug prices and chronic Medicare and Medicaid underpayments, the 340B program remains vital. A recent report by the U.S. Department of Health and Human Services revealed a 31.6% average price surge for over 1,200 drugs between July 2021 and July 2022, exacerbating hospital expenses and workforce shortages.

Contract pharmacies are crucial components of the 340B program, ensuring patients' access to needed drugs. However, actions by more than 20 major drug companies since 2020 to restrict 340B pricing undermine the program's purpose, resulting in nearly \$30 million in financial losses for hospitals and health centers.

This bill protects critical health care funding for Rhode Island's underserved populations by prohibiting the implementation of discriminatory business practices or policies in Rhode Island on 340B entities that are not required for non-340B entities. Specifically, it prevents reductions in reimbursements compared to non-340B entities and prohibits restrictions on contract pharmacy usage.

For these reasons HARI and its members support passage of H.7879 and appreciate your commitment to the well-being of our community.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa P. Tomasso", written over a light blue horizontal line.

Lisa P. Tomasso
Senior Vice President