

March 19, 2024

Honorable Representative Donovan, Chair  
CC: House Health and Human Services Committees  
Rhode Island State House  
82 Smith St, Providence, RI 02903

**Re: Healthcare Distribution Alliance (HDA) Amendment Request for H.7879**

Dear Chair Donovan and Honorable Members of the House HHS Committee:

On behalf of the Healthcare Distribution Alliance (HDA), representing the nation's primary healthcare distributors, I am writing to respectfully requests that wholesalers be struck out of H.7879. **Including wholesalers is superfluous to the goals of the legislation because wholesalers are not privy to the 340B pricing contractual process between manufacturers and 340B entities. Additionally, including wholesalers will create unintended consequences and conflict with federal law.**

HDA's distributor members serve as the critical logistics provider within the healthcare supply chain, adding efficiency, security and keeping the healthcare system functioning every day. HDA members work 24 hours a day, 365 days a year to ensure approximately 10 million healthcare products per-day, including specialty drugs, are safely and securely delivered to more than 180,000 providers across the country. In Rhode Island, our members serve 830 points of care.

340B entities order products through a manufacturer's 340B program. Those contracts and prices are part of a process that wholesalers are not privy to. In fact, wholesale distributors are not even registered entities with HRSA, the federal agency that manages 340B. Manufacturers then inform wholesalers what the contractual prices for 340B customers are. Including wholesalers would unintentionally cause wholesalers to be held responsible for manufacturers actions. In fact, several states which initially included wholesalers in their language have accepted HDA's amendment requests before advancing their bills, such as in Maryland and West Virginia.

Finally, including wholesale distributors in this bill would create conflict with federal law regarding controlled substances. Wholesale distributors are federally obligated to suspend or otherwise limit the delivery of controlled substances under certain circumstances, such as the triggering of suspicious order thresholds, whether or not the drugs are 340B. Removing wholesale distributors from this bill would resolve that issue while, again, still accomplishing the goals of the bill.

## HDA Amendment Request

5-19.3-5- Prohibition on certain discriminatory actions by a pharmaceutical manufacturer ~~or wholesaler related~~ to 340B entities.

(a) A pharmaceutical manufacturer ~~or wholesaler~~ shall not deny, restrict, prohibit, or otherwise interfere with, either directly or indirectly, the acquisition of a 340B drug by, or delivery of a 340B drug to, a pharmacy that is under contract with a 340B entity and is authorized under such contract to receive and dispense 340B drugs on behalf of the covered entity unless such receipt is prohibited by the United States department of health and human services.

(b) A pharmaceutical manufacturer ~~or wholesaler~~ shall not interfere with a pharmacy contracted with a 340B entity.

In summary, HDA respectfully believes that striking wholesale distributors from the language of H.7879 would not impact the goals of the bill, but rather would bring the bill into alignment with the way the supply chain functions, and with federal law. Thank you for your consideration, and please contact me for any further discussion at [kmemphis@hda.org](mailto:kmemphis@hda.org)

Thank you,

Kelly Memphis  
Director, State Government Affairs  
Healthcare Distribution Alliance