



March 19, 2024

Honorable Susan Donovan, Chair
House Health and Human Services Committee
Rhode Island General Assembly
82 Smith Street
Providence, RI 02903

Dear Chairman Donovan and Members of the Health and Human Services Committee:

Please accept this letter of support for House Bill 7879, which protects the 340B Program, a program that is essential to our organization.

Northwest Community Health Care d/b/a WellOne Primary Medical and Dental Care, is a nonprofit, community health center that provides primary medical, dental, behavioral health, discounted pharmacy, patient transportation and other support services to more than 16,000 Rhode Islanders regardless of ability to pay. Nearly 70% of our patients have incomes that are at or below 200% of the Federal Poverty Level. Approximately 60% of our patients are uninsured or are covered through the Medicaid and Medicare programs.

- The 340B Program requires drug manufacturers to offer discounted prices to safety net providers, such as WellOne. This results in additional net revenue (profit) than would otherwise be available to us as insurers reimburse us for these drugs at their regular rates.
- 340B net revenue is absolutely essential to ensure that our patients have access to prescription drugs at affordable prices, to support the cost of services that our patients need and to balance our budget.
- Through our 340B Program, WellOne patients without prescription drug coverage or who have limited drug coverage (e.g. high deductibles and copayments, formulary limitations, etc.) are able to secure a 30-day prescription at a total cost of \$5 through any of our participating contract pharmacies. The cost in excess of \$5 is subsidized by the net profits from our 340 Program. Such subsidies amounted to more than \$300,000 during the past twelve months.
- We are required, by law and regulation, to expend net revenues from the 340B program in support of our charitable mission. To that end, approximately 20% of our current operating budget is supported with 340B net program revenues.
- When drug manufacturers unilaterally decide to limit community health centers' access to contract pharmacies or when pharmacy benefit managers (PBMs) decrease reimbursements for 340B drugs only,



WellOne Primary Medical and Dental Care
36 Bridge Way, Pascoag RI 02859
WellOneRI.org

TEL 401 567 0800
FAX 401 568 7949
TDD 800 745 5555

Additional locations
308 Callahan Road, N. Kingstown, RI 02852
142A Danielson Pike, Foster, RI 02825
35 Village Plaza Way, N. Scituate, RI 02857

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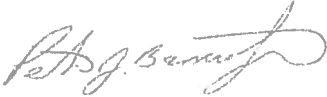
it is the health centers' patients who suffer. H7879 protects community health centers and their patients against both these actions.

- H7879 would prevent drug manufacturers from limiting which pharmacies that we can contract with under the 340B Program. Contract pharmacy restrictions mean that 340B savings (profits) are available from one pharmacy only. This limits our 340B Program net revenue and interferes with our patients' access to their local pharmacy. This is particularly impactful to our organization given the diverse locations of our facilities in Rhode Island (Burrillville, North Kingstown, Scituate and Foster).
- H7879 would also prohibit "pick pocketing" tactics that pharmacy benefit managers have used to divert 340B savings (profits) away from community health centers to themselves. With this bill, we are not asking PBMs to treat us any better than other providers – just not to treat us worse. If PBMs take these 340B profits for themselves, they will be upending revenue streams that our patients and our organization have relied upon for more than sixteen years.

We urge you to pass this bill. It will protect the 340B Program, which is essential to our organization and for the Rhode Islanders that we serve.

Sincerely,

WELLONE PRIMARY MEDICAL AND DENTAL CARE

A handwritten signature in cursive script, appearing to read "Peter J. Bancroft".

Peter J. Bancroft, CPA
President and CEO