



A collaboration among the University of Minnesota,
University of Minnesota Physicians and Fairview Health Services

February 23, 2021

Sent Electronically

Representative Zack Stephenson
Chair, House Commerce Finance and Policy Committee
509 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Mr. Chair and Committee Members;

On behalf of M Health Fairview, we wanted to share with you our concerns about the pharmacy benefit changes contained in House File 8 and the impact of those changes on the federal 340B drug pricing program and the vulnerable patient populations served by that program. While the changes proposed in HF 8 do not specifically call out the 340B program by name, the effect of the changes – as we have seen in California, New York and other states - in moving the pharmacy benefit to a fee-for-service model, has the dramatic impact of eliminating our and other hospitals' abilities to use those federal 340B dollars to provide supplemental services to our sickest and often poorest patients.

The intent of the federal 340B Drug Pricing Program is to enable eligible entities to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services. Under federal law, eligible entities are to use 340B savings to provide additional services that benefit patients, such as outpatient programs and primary care clinics. Savings are used to hire staff, to provide programs that serve patients who cannot pay, and to remain compliant with the 340B program. Without savings from 340B program, our care teams would be severely limited in our ability to carry out our mission in carrying for some of the state's sickest patients.

As an example, the hemophilia patients that we serve at the M Health Fairview Center for Bleeding and Clotting Disorders directly benefit from our ability to utilize the federal 340B program. Many of the additional services we provide these patients including a full time dedicated social worker and nurse coordinator and a dedicated hemophilia treatment center would not be available outside of the benefit we receive from the federal 340B program. Our Hemophilia Treatment Center provides a comprehensive care model with over 17 staff for over 300 patients across Minnesota with these rare complex bleeding disorders. This program is the only dedicated hemophilia treatment for adults in the Twin Cities metro area and only one of two adult programs in the entire state of Minnesota. The 340B program allows our care team to provide grant assistance to patients that are experiencing financial hardship in order to allow them to continue accessing critical care and treatment outside the hospital without which would result in trips to the emergency room and increased hospitalizations.





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We can point to stories for patients with hemophilia disorders, patients with HIV/AIDS, sickle cell anemia and countless others who have all seen the direct benefits conferred to them by the federal 340B drug pricing program. The 340B program has given us the ability to invest in the some of the state's most vulnerable communities to help provide additional benefits to the uninsured and underinsured populations. Unfortunately, we believe that many of these benefits would be eliminated without careful consideration of the impacts on the 340B program with the changes proposed under HF 8.

We look forward to continuing to work with Rep. Lieblich and others to ensure that our patient care team at M Health Fairview and other hospitals and federally qualified health centers across the state can utilize the 340B program to serve the state's most acutely ill and vulnerable patients.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert Beacher'.

Robert Beacher
Executive Vice President and Chief Shared Clinical Services Officer

