



Minnesota Hospital Association

2550 University Ave. W., Suite 350-S
St. Paul, MN 55114-1900

phone: (651) 641-1121; fax: (651) 659-1477
toll-free: (800) 462-5393; www.mnhospitals.org

January 31, 2021

Submitted Electronically

Representative Tina Liebling
Chair, Health Finance and Policy Committee

RE: HF 8—Establishing a Prescription Drug Purchasing Program and the potential impacts to the Federal 340B Drug Pricing Program

Madam Chair and Members of the Health Finance and Policy Committee,

We are reaching out to you today on behalf of the Minnesota Hospital Association (MHA) regarding our concerns with the potential impacts of HF 8 on the Federal 340B Drug Pricing Program. While we are still evaluating the impact of HF 8, our apprehension is merited based on what has happened in California. California created a Prescription Drug Purchasing Program that led to the effective termination of 340B across their entire Medicaid program. If similar actions followed in Minnesota, this could severely harm critical patient access to significantly discounted prescription drugs and would reduce overall Federal funding for patient care and services at 340B Covered Entities (CE), including 95 hospitals across Minnesota.

Congress established the 340B program in 1992 to stretch scarce federal resources as far as possible to support more patients and provide more comprehensive services to the nation's most vulnerable communities. 340B allows covered entities such as hospitals, clinics and pharmacies to reduce outpatient pharmaceutical costs and expand health services to the patients they serve. Hospitals may use 340B savings to provide free care for uninsured patients, free vaccinations, services in mental health clinics, and implement medication management programs and community health programs. Further, insurance status and/or income do not affect the patient's ability or the 340B hospital to access discounted medications and other benefits of the program, which supports and sustains these vitally necessary services.

340B provides critical financial support to a vast network of qualifying hospitals and provider clinics across Minnesota. The hospital types that can participate in 340B include Critical Access Hospitals, Sole Community Hospitals, Children's Hospitals, and Disproportionate Share Hospitals that serve many low-income Minnesotans. Other provider clinics include but are not limited to Federally Qualified Health Centers, Tribal/Urban Indian Health Centers, Ryan White HIV/AIDS Program Grantees, and Title X Family

Planning Clinics rely on 340B to best serve their patients and communities. This network of providers is Minnesota's safety net, which is under unprecedented stress and must be protected.

COVID-19 has stressed the importance of and need for more programs that support our most vulnerable patients and communities. We understand the need to address out of control pharmaceutical prices, but 340B is an established and successful program that Minnesotans rely on to support their health care needs, especially access to significantly discounted prescriptions medications.

We urge the Committee to work with MHA and other 340B stakeholders to better understand and consider any potential changes to the current outpatient prescription drug program and what those changes could do to the 340B program, either intentionally or unintentionally.

MHA is eager and ready to work with you and this Committee to ensure that 340B is protected, access to discounted medications is sustained, and the ability for hospitals and all 340B Covered Entities to invest in services for their patients remains secure. Thank you for your consideration.

Sincerely,



Mary Krinkie
Vice President of Government Relations
mkrinkie@mnhospitals.org



Danny Ackert
Director of State Government Relations
dackert@mnhospitals.org