



June 5, 2024

RE: Testimony in Support of HB 5350

Chair Carter and Members of the House Insurance and Financial Services Committee:

Thank you for the opportunity to provide testimony on House Bill 5350. The Michigan Pharmacists Association represents over 1,600 pharmacists, student pharmacists, and pharmacy technicians across the state. On behalf of our membership, we want to express our support for HB 5350 and emphasize the importance of this legislation to both patients and healthcare providers across the state.

The 340B program was established to ensure that safety-net providers – including federally qualified health centers, disproportionate share hospitals, and others serving low-income and uninsured patients – have access to discounted medications. Since its inception, the program has been instrumental in expanding access to vital medications for millions of individuals who might otherwise struggle to afford them.

By enabling qualified entities to purchase medications at significantly discounted prices, the 340B program allows healthcare providers to redirect savings towards critical services such as preventive care, chronic disease management, and behavioral health support. This not only improves health outcomes but also reduces the financial burden on patients and the healthcare system as a whole.

Moreover, the 340B program plays a pivotal role in bolstering the financial sustainability of safety-net providers, particularly in underserved communities. These institutions often operate on thin margins, facing immense challenges in delivering high-quality care to all patients, regardless of their ability to pay. By leveraging the savings generated through the 340B program, these providers can invest in essential infrastructure, recruit skilled healthcare professionals and expand their reach to serve more individuals in need.

HB 5350 works to protect these programs by prohibiting manufacturers from implementing restrictions on 340B contract pharmacies. Arkansas and Louisiana have already passed similar legislation, and 17 other states have introduced legislation to enshrine these protections. These protections are critical as manufacturers attempt to curb access to the program through contract restrictions. Enshrining these protections in Michigan law will stave off any future attempts to restrict access to the program, and provide protections to the patients, health systems and pharmacies that rely so heavily upon it.

Michigan Pharmacists Association urges the committee to support House Bill 5350 and take decisive action to safeguard the 340B Drug Pricing Program in our state. This bill takes an important step in protecting healthcare services provided to our most vulnerable populations and is essential to the pursuit of equitable health outcomes.

Thank you for your attention and consideration.

Sincerely,

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