

Good afternoon Madam Chair and Members of the House Insurance and Financial Services Committee. I'm Sean Gehle and I serve as the Advocacy Leader for Trinity Health Michigan. Thank you for the opportunity to testify this afternoon on behalf of Trinity Health Michigan which is a part of Trinity Health, one of the largest Catholic and integrated health care delivery systems in the country serving hundreds of diverse communities in more than 27 states. Trinity Health Michigan strongly supports the 340b program and appreciates Representative Farhat's sponsorship of HB 5350 as well as Chair Carter's willingness to hold a hearing on this legislation.

The 340B program allows safety net providers, like Trinity Health Michigan, to stretch scarce federal resources and offer access to health services. Trinity Health Michigan hospitals eligible to participate in the 340b program, three in west Michigan and two in southeast Michigan utilize the savings from 340b to improve the health of our communities and provide a wide variety of services to our patients, many of whom are uninsured or underinsured. Some examples of the programs that these savings support across Trinity Health Michigan's statewide footprint include:

- the Meds-2 Go program which delivers hospital patients prescriptions at the time of discharge to ensure patients have the medications they need to reduce hospital re-admissions;

- Prescription Access Program - Financial assistance to patients unable to afford their prescriptions (this program serves 511 patients monthly and provides 1,400 prescriptions at no cost to qualifying patients in need; an additional 75 prescriptions are provided at cost to patients with temporary financial need); (See Addendum for individual patient stories)
- Access to primary and specialty care through the operation of 30 clinics in tracts with 20% or more families below 150% of the federal poverty limit and more than 25% with less than high school education.
- the ability to continue to support and even expand behavioral health services, which are often unprofitable and in high demand, because we can continue to fund these services with savings generated from 340b
- continuing to offer oncology services in the community to Medicaid patients, who are frequently turned away from private oncology infusion centers because the drugs are so expensive that the Medicaid payments do not cover the cost of them and private centers cannot afford to offer them. The ability to purchase these costly life-saving drugs at 340B pricing allows us to continue to be the safety net that cares for them

The contract pharmacy restrictions imposed by manufacturers over the past four years have impacted Trinity Health's ability to access drugs at 340b pricing, significantly decreasing our savings and putting the critical programs that 340b savings support at risk. Trinity Health Michigan savings have literally been cut in half as a result of the egregious actions of Pharmaceutical Manufacturers recent actions. Every dollar taken from our 340B programs through manufacturer restrictions in contract pharmacy is a dollar that our hospitals are unable to use for the benefit of our patients and communities. The ability to meet the unique needs of the communities in which we serve by offering programs and services tailored to our patient populations through the use of 340B savings is reduced. This legislation would end this practice.

The intent of contract pharmacies is to extend the reach of the safety net hospital and help patients access their prescription drugs. Contract and specialty pharmacies serve as an extension of Trinity Health providers and allow patients to access their medications in the convenience of their local community pharmacy or through the mail. When Trinity Health covered entities select pharmacies to partner for contract pharmacy arrangements, we align with where our patients are already going to receive their prescriptions, which in urban communities like Pontiac, Grand Rapids, or Muskegon may include many pharmacies covering a wide geographical area.

Additionally, contract pharmacy arrangements are often driven by payers. Patients fill their prescriptions where they are directed to by their Pharmacy Benefit Managers. While Trinity Health offers the opportunity to patients to extend their care into our retail and specialty pharmacies, sometimes patients insurance directs them elsewhere.

HB 5350 protects the integrity of the 340b program by prohibiting Manufacturers from refusing, withholding or limiting 340b pricing to include a drug purchased to be dispensed or administered under a contract pharmacy arrangement. Additionally, the legislation would prevent a pharmaceutical manufacturer from prohibiting a pharmacy from contracting or participating with a 340b entity by denying 340b pricing on, or the pharmacy's access to, a drug that is manufactured by a manufacturer or based on a pharmacy's relationship with a 340b entity. Trinity Health strongly supports this legislation.

Thank you for the opportunity to share Trinity Health Michigan's support for HB 5350. I would be happy to answer any questions from the committee.