



Dear Members of the Maryland Prescription Drug Affordability Board,

Thank you for the opportunity to provide comment. The Mid-Atlantic Association of Community Health Centers, or MACHC, is the federally designated primary care association for Maryland's sixteen community health centers that provide comprehensive primary care to more than 340,000 patients annually.

The following pages illustrate how 340B savings are vital to Maryland's federally qualified health centers and other safety-net providers, including Ryan White Clinics. The 340B program was established to stretch scarce federal resources by requiring manufacturers to sell drugs to safety-net providers at a reduced price. In addition to increasing access to affordable medications for uninsured and underinsured patients, the reimbursement from insured patients allows safety-net providers to sustain their mission and invest in important services, like medication adherence programs, OB-GYN, dental care, and nutrition services.

A cost review should consider that safety-net providers and patients could be unintentionally harmed as upper payment limits will reduce the benefit the 340B program provides. The program offers patients increased access to discounted medications and preventive care. Harming the 340B program will put safety-net providers in a dire position and likely result in reduced program capacity, ultimately exacerbating the need for primary care services and increasing emergency department usage. With Maryland's already strained hospital capacity, this would be untenable. MACHC recognizes that a drug's inclusion in a cost review study does not mean it will be subject to an upper payment limit. **However, Board action without considerable review and input from 340B providers in Maryland could result in a backslide in primary care initiatives and ultimately worsen health outcomes statewide.**

MACHC urges the Prescription Drug Affordability Board to consider the following requests:

1. Withhold determinations regarding Upper Payment Limits until the impact of the loss of 340B savings is understood.
2. Work closely with 340B safety-net providers to understand how upper payment limits on these drugs will impact patient care through all levels of Maryland's health system.
3. Ensure that future upper payment limits do not harm 340B safety-net providers by establishing strategies such as exemptions or state funds to support 340B organizations.
4. Consider regulation and reform of pharmacy benefit managers and associated health insurers, given that pharmacy benefit managers determine insured patients' out-of-pocket cost and medication access.

Thank you for the opportunity to comment on this process. For additional information, please do not hesitate to reach out to me at nhoban@machc.com.

Sincerely,

A handwritten signature in cursive script that reads "Nora E. Hoban".

Nora E. Hoban

Chief Executive Officer

Mid-Atlantic Association of Community Health Centers

The 340B Program

How the Program Works

A Tax Free Benefit Supporting Access to Health Care

The 340B program, established more than 30 years ago, allows safety-net providers to buy outpatient medicines for less. The program is NOT funded by taxpayers. Instead, drug companies sell drugs to providers at discounted prices in exchange for receiving payment for medications under Medicare and Medicaid. The program enables safety-net providers to stretch scarce funding to make health care more accessible. Providers use 340B savings to enhance primary and preventive programs, wraparound services, and access to medications.



Non-profit safety-net providers buy discounted medications from manufacturers that are shipped to pharmacies



Pharmacies charge insurance companies non-discounted drug prices for patients of a 340B provider



Savings equal the difference of the discount drug price and the amount insurance companies pay



Pharmacies send the savings to safety-net providers that then invest savings to increase access to care



Patients that need financial help to afford medications can receive discounts or free medications

WHAT PROVIDERS ARE ELIGIBLE TO RECEIVE 340B DISCOUNTS?

- ✓ Federally Qualified Health Centers and Look-Alikes
- ✓ Ryan White clinics and state AIDS assistance programs
- ✓ Hospitals treating a disproportionate share of low-income patients
- ✓ Critical Access & Sole Community Hospitals
- ✓ Rural Referral Centers
- ✓ Cancer and Children's Hospitals
- ✓ Other federally funded clinics

Eligible providers must register and re-enroll annually to certify compliance, and are subject to HRSA and manufacturer audits. Safety-net providers must also document compliance methods to ensure no duplicate Medicaid discounts are applied and medication is only given to existing 340B patients. Non-compliance findings result in fines, corrective action plans, and possible termination from the program.



WHO IS CONSIDERED A 340B PATIENT?

ALL PATIENTS receiving healthcare at a 340B safety-net provider are allowed to benefit from the program. For patients who may not be able to afford medications, sliding fee discounts can be applied based on patient income, family size, and other factors. Savings support service expansion, allowing more patients to access needed health care.

340B Is A Population Health Program

The federal government created the 340B program with the expectation that safety-net providers would invest savings to support essential programs and services benefitting communities

SAFETY-NET PROVIDERS REINVEST 340B SAVINGS IN ESSENTIAL HEALTH PROGRAMS LIKE



COMMUNICABLE DISEASE PROGRAMS

The 340B program has been instrumental in ending the Hepatitis C and HIV epidemics, enabling service expansion and ability to treat more patients to reduce community impact



CANCER SCREENING AND PREVENTION

A 2018 study found 340B-participating hospitals are more likely to provide mammograms and other breast cancer screenings than non-340B hospitals (L&M Policy Research)



SUBSTANCE USE DISORDER TREATMENT

Savings from 340B allow many providers to offer comprehensive substance use treatment and detoxification services, regardless of a patient's ability to pay

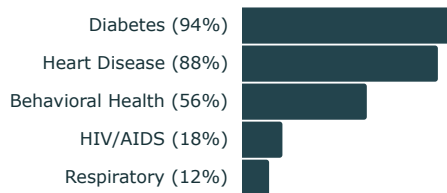


MATERNAL HEALTH

Many safety-net providers invest 340B savings in pre- and perinatal programs to reduce maternal and fetal mortality & morbidity, keeping moms and babies healthy

340B IS ESSENTIAL TO TREATING AND MANAGING THE MOST COMMON CHRONIC CONDITIONS

Top Conditions Treated With 340B Drugs at Federally Qualified Health Centers



Percent of Federally Qualified Health Centers that ranked each condition as one of the top three treated with 340B medications (NACHC, 2022)

340B Medication Access Reduces Total Cost of Care | COPD Case Study

Pre-340B Participation	2.42 Visits Per Patient
Post-340B Participation	1.66 Visits Per Patient
Estimated Mean Cost Avoidance	\$1012.82 Per Patient

COPD patients who received 340B discounted medications had fewer emergency department visits and hospitalizations (Taliaferro et al., 2023)

PRIMARY & PREVENTIVE CARE IS UNDERFUNDED IN THE U.S. | 340B IS CRITICAL TO AUGMENT

The U.S. has the highest per capita healthcare spending and lower life expectancy than similar economically developed countries. Strong primary care is associated with better population health, lower costs, and more equitable outcomes.

340B reduces emergency department visits, avoidable hospitalizations, and supports community health