



Comments PDAB -PDAB- <comments.pdab@maryland.gov>

Submitted for public comment: General comments about PDAB and drugs referred to the Stakeholder Council.

1 message

Patrick Mutch [REDACTED]
To: "comments.pdab@maryland.gov" <comments.pdab@maryland.gov>
Cc: Nora Hoban [REDACTED], Patrick Mutch [REDACTED]

Fri, May 3, 2024 at 9:28 AM

Submitted for Public Comment: Maryland Prescription Drug Affordability Board

Dear Members of the Maryland Prescription Drug Affordability Board,

As President and CEO of Chase Brexton Health Care, I am writing you to express our concerns about the potentially significant negative impacts of establishing an upper payment limit on manufacturers of medications for our patients and the sustainability of our mission. These actions will decrease our 340b pharmacy savings used to care for the complex needs of the underserved populations that depend on us for access to health care. In addition, **our patients using one or more of the eight medications under review are never denied these medications and have access to a sliding fee scale and multiple other programs of support for these medications. I write today, deeply concerned with the overall negative impact of the Board's actions on our patients and with the Board's suggestion to begin a "cost review study" of Biktarvy, the antiretroviral medication used for the treatment and prevention of HIV, and Trulicity, the medication used for the treatment of diabetes.**

Who are we?

Chase Brexton Health Care is a Federally Qualified Health Center (FQHC) non-profit organization with five centers in Baltimore City, Columbia, Glen Burnie, Woodlawn (Security Square) and Easton. We serve more than 45,000 unique patients annually, most of whom are underserved and would not have any other access to health care. Of the 45,000+ patients, 45% are insured by Medicaid, and 26% are uninsured. The majority of our patients who disclose financial status live on an annual income of 200% or below the Federal poverty limit (i.e. \$51,640 for a family of three). Utilizing one or more of the eight medications under study, we care for over 3,000 HIV patients and 4,700 diabetic patients and support their adherence to medications with providers, clinical pharmacists, nurses, social workers and community health workers.

Federally Qualified Health Centers were established in 1965 as part of President Lyndon Johnson's War on Poverty, serving as America's safety-net for medically under resourced areas and populations. FQHCs are tasked with maintaining an "open door" policy, providing affordable healthcare regardless of an individual's ability to pay. There are over 1,403 FQHCs throughout the United States and these organizations serve about 25 million individuals annually. Given this massive reach and the fact that Maryland is the second - and likely not the last - State to consider the task before you, I ask the Board to recognize the impact of your decision.

The 340b program, a predominant source of funds and support

Hospitals and Federally Qualified Health Centers are among the organizations recognized as covered entities under 340b federal legislation. The 340b program was established 30 years ago by the federal government to provide access to discounted medications for low-income and underinsured patients and also to provide additional resources in the form of savings to covered entities to sustain the mission of providing health

care to underserved communities. The 340b program reduces acquisition costs for medications for covered entities enabling uninsured patients to obtain discounted medications. For insured patients, 340b discounted medications enable covered entities to bill insurance companies at allowable reimbursement rates which results in savings to be reinvested in patient care and to sustain the mission. Any reduction in allowable reimbursement rates or increases in the costs of discounted medications reduces the value of the 340b savings realized by these covered entities. An upper payment limit which reduces current reimbursement rates or increases the acquisition costs of 340b discounted medications reduces the realized savings and revenues which may be reinvested into patient care, caring for the uninsured and sustaining the mission. **Covered entities invest all these savings back into supporting patient care and sustaining their missions. Imposing an upper payment limit is a threat to health equity and the missions of covered entities. All 340b entities will be negatively impacted by an upper payment limit which will likely reduce 340b savings.**

What is the impact of the Board's decision?

Federally Qualified Health Centers such as Chase Brexton Health Care have a dedicated mission to serve impoverished communities "regardless of ability to pay". We are required to offer healthcare services with sliding fee scales for patients who have significant barriers to access health care. In addition, there are other programs that support access to care and medications so that no patients go without their medications. Chase Brexton Health Care and other FQHCs utilize their 340B savings to provide the array of integrated care that includes adult and pediatric primary care, behavioral health, substance use, psychiatry, ob/gyn services, dental services, pharmacy, social services, LGBTQ affirming care, food assistance, transportation, even housing in some situations. Each center site is specifically selected due to the area being officially recognized as serving marginalized underserved communities. The 340b savings are essential to safety-net providers in reducing health care disparities, increasing access to comprehensive services, and ensuring patients have access to life saving medications. Indeed, FQHCs are some of the best stewards of the program and any reduction in the 340b savings reduces those entities' ability to serve the most marginalized of Marylanders.

In conclusion, we appreciate the very important goal of reducing patient cost burdens. **However, we respectfully ask the Board to study the potentially negative impacts to 340b covered entities before implementing any study.**

Patrick F. Mutch, President and Chief Executive Officer, Chase Brexton Health Care

CC: Nora Hoban, Chief Executive Officer, Mid-Atlantic Association of Community Health Centers

Patrick F. Mutch

President & Chief Executive Officer

Pronouns (he/him)



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chasebrexton.org

Our mission is to provide compassionate and integrated high quality health care that honors diversity, addresses health inequities, and advances wellness in the communities we serve.

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