



A driving force for health equity

Submitted via electronic mail

April 18, 2023

The Honorable Anthony Portantino Jr.
1021 O St
State Capitol, Room 7630
Sacramento, CA 95814-5704

Re: Support for SB 786, Prescription Drug Pricing.

Dear Senator Portantino,

On behalf of OCHIN, I am pleased to offer our support for SB 786, which would protect patient access to affordable medication and essential funding for eligible community clinics by protecting the 340B programs from inappropriate pharmaceutical benefit manager (PBM) practices. The bill would prohibit PBMs from discriminating against covered entities or pharmacies that work with covered entities to implement the program. The 340B program is essential for Californians who struggle to afford lifesaving medication, as well as the safety-net providers who care for the underserved.

OCHIN is a national nonprofit health information technology and research network of locally controlled community health providers that offers technology solutions, informatics, evidence-based research, and policy insights. **In California, OCHIN network members serve 1.6 million active patients, more than 500,000 of whom are Medi-Cal enrollees.**

The 340B program provides essential funding for OCHIN network providers in California. 340B is used to supplement the income of safety-net providers so they can serve people who otherwise would go without care. 340B-related revenue makes up an average of 31% of total revenue of OCHIN member providers. Without this income, many health centers would be unable to provide discounted or free care that many people rely on. The 340B program is constantly under attack by PBMs and drug makers. 340B does more than provide discounted drugs, it ensures the least advantaged among us can receive free or significantly discounted medication that drives improved health outcomes.

This bill would stop PBMs from imposing contract terms on community-based providers that reduce all, or part, of the federal 340B Program savings that eligible entities are qualified to receive. This income funds operational activities not currently covered due to inadequate reimbursement for health centers.

The 340B program is essential for millions of patients, whether they use covered medications or not. The program ensures that safety-net providers are able to remain operational and provide care to the underserved and that patients can have affordable access to the medication they need. Please contact me at stollj@ochin.org if we can provide any additional information to support your efforts to protect 340B.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Stoll". The signature is written in a cursive, flowing style.

Jennifer Stoll
Executive Vice President
External Affairs