



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
INSURANCE AND REAL ESTATE COMMITTEE
Tuesday, March 15, 2022**

SB 355, An Act Establishing The 340B Drug Pricing Nondiscrimination Act

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 355, An Act Establishing The 340B Drug Pricing Nondiscrimination Act**. CHA supports the bill.

Since early 2020, hospitals and health systems have been at the center of Connecticut's response to the COVID-19 public health emergency, acting as a vital partner with the state and our communities. Hospitals expanded critical care capacity, procured essential equipment and supplies, and stood up countless community COVID-19 testing locations. Hospitals have been an essential component of the statewide vaccine distribution plan including efforts to reach and serve historically under-resourced communities disproportionately affected by the virus.

The assistance made possible by the 340B program is felt by communities across our state, but especially important to some of our largest urban centers like Bridgeport, Hartford, New Haven, Stamford, and Waterbury. The health inequity across our country, laid bare by the uneven impact COVID-19 has had on our communities, reinforces the ongoing need for the investments 340B savings allow.

The 340B program was established 30 years ago to allow hospitals and other covered entities to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services. Access to drug discounts provided through the program assists hospitals in meeting the needs of their patients in vulnerable communities.

Unfortunately, today, the 340B program is being undermined, on the federal level, by payers and manufacturers alike.

We support SB 355 as it makes clear that pharmacy benefit managers (PBMs) cannot pursue disparate contracting terms aimed at 340B covered entities. This disparate treatment has the result of evaporating the intended, Congressionally sanctioned financial benefit of the 340B program to covered entities and transferring the financial benefit to PBMs. This was certainly not the intent of Congress and in fact, PBMs have no defined legislative or regulatory role in the program.

SB 355 takes important action to preserve the benefit of the 340B program for patients in vulnerable communities throughout our state.

We note this activity to emphasize that there are attempts to undermine the 340B program from multiple entities and it will take action from both the state and federal governments to preserve the program's benefit.

A well-functioning 340B program is essential to our members that serve vulnerable communities and their work, as the statute describes, to stretch scarce federal resources as far as possible to support essential services for their communities. Actions to undermine the program harm those communities.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.