



Community Health Center of Southeast Kansas

Testimony for the 2021 Special Committee on Federal 340B Drug Program December 9, 2021

Madame Chair Concannon, Vice Chair Erickson, and Members of the Committee,

Thank you for the opportunity to submit written testimony and provide oral testimony to this Special Committee on the Experience of Rural Providers with the 340B Program.

In my role as a Senior Vice President and Chief Compliance Officer for Community Health Center of Southeast Kansas, Inc. (CHC/SEK), I have the privilege of overseeing the implementation and operation of CHC/SEK's 340B program.

At CHC/SEK, our mission and values originate with one statement,

“Doing all the good that we can, for all the people we can, in all the ways we can, for as long as we can.”

This mission and value originated 100 years before the origins of CHC/SEK by a Sister of Saint Joseph, Mother Mary Bernard Sheridan.

In 1903, Mother Sheridan brought healthcare to the poorest region of Kansas, Southeast Kansas. She helped build a hospital, Mount Carmel Regional Medical Center, on donated land literally yards away from CHC/SEK's North Pittsburg campus to provide healthcare to all. Mother Sheridan frequently reminded her staff that the care and treatment they were providing to the miners and immigrants, who were living in Southeast Kansas and whose descendants continue to live here today, was incredibly important for the health and future prosperity of the region.

While healthcare services and delivery have made advances over the past 100 years, Southeast Kansas continues to be medically underserved with collectively the worst health outcomes (length of life, quality of life) and health factors (healthy behaviors, clinical care, social, and economic factors) in all of Kansas.

Today, CHC/SEK continues to attempt to address these concerns as Mother Sheridan set out to do.

For nearly thirty (30) years, the 340B program has provided access to life-saving medications to America's most vulnerable communities. While CHC/SEK serves patients in several Kansas counties, the need for the 340B program is best evidenced by Cherokee County, Kansas.

As of the 2020 Census, Cherokee County had just over 19,000 residents, with 56% of the households in the county taking in under \$50,000 a year and 13.1% of the residents living below the 100% federal poverty line (meaning that these residents are making less than \$12,880.00 a year). Accordingly, Cherokee County ranks among the poorest counties in the State of Kansas.

Presently, CHC/SEK has two clinic sites in Cherokee County seeing a combined total of nearly 12,000 patients this year alone, with approximately 7,390 patients being residents of Cherokee County. These patients have limited options to obtain their prescriptions – Cherokee County has only five retail pharmacies. Further, Cherokee County's residents typically must travel to Pittsburg, Kansas or Joplin, Missouri to access higher levels of care (e.g. mammography services, cardiology services). Limited access, coupled with unaffordability of medications, has historically prevented residents in Cherokee County from receiving treatment.

As a Federally Qualified Health Center (FQHC) and participant in the 340B program, CHC/SEK has made great strides to increase access to medications in Cherokee County. The opening of CHC/SEK's Apothecare location in Columbus, Kansas added another option for residents of Cherokee County. This year alone, Apothecare – Columbus has filled over 17,000 340B scripts.

To further increase access, CHC/SEK has contracted with multiple local pharmacies to provide 340B priced medications to CHC/SEK patients. This year, CHC/SEK affiliated pharmacies in Cherokee County have filled scripts for over 2,000 unique patients.

The patient stories and experiences related to the benefits of CHC/SEK's 340B program are numerous, and happen hundreds of times a day. A patient experience, from this past week, was a male uninsured Cherokee County resident, in his early 20's. He reported to our Columbus (Cherokee County) Clinic with uncontrolled blood sugars. Our provider was able to see the patient, prescribe and administer Humalog and prescribe Lantus, to help address the patient's uncontrolled diabetes. With CHC/SEK's Apothecare – Columbus pharmacy, the patient was able to receive these medications for \$20.00 apiece. In a retail setting, these same medications would have cost at-least \$100.00 apiece. This patient, like many others, commented that getting these medications at an affordable price helped the patient save money that is then applied to rent, food, and car payments.

As a participant and good steward in the 340B program, CHC/SEK is tasked with not only using the 340B program to provide medications to the most vulnerable populations, but is also tasked with ensuring that pharmacy income is reinvested in the communities in which CHC/SEK serves. In Cherokee County, CHC/SEK employs 50 staff who provide various services throughout the County. While some of these staff members maintain licenses that help cover the wages CHC/SEK pays these staff members, many of these staff members are not reimbursable for the services they provide.

A great example is CHC/SEK's Family Resource Specialists (FRS). Our FRSs are responsible for helping our uninsured, underinsured, and indigent pregnant women, children, and families navigate the healthcare system. These staff members provide initial intakes for prenatal patients (e.g. completing OB intakes, medical histories), facilitate care and treatment (e.g. behavioral health visits, dental visits), use developmental screenings and tools to help address social concerns, and are generally available to these patients 24 hours a day, 7 days a week. While these services are vital for the improvement of the health of Cherokee County, these services are not reimbursable. Income from CHC/SEK's pharmacy operations helps employ FRSs, Community Health Workers, Benefit Enrollment Specialists, and other positions that are not reimbursable.

In turn, these staff members buy houses in Cherokee County, have children who attend Cherokee County schools, buy gas at Cherokee County gas stations, and for these reasons, in addition to the professional services they perform, provide a positive economic impact on Cherokee County.

CHC/SEK's efforts to increase access to care in and to provide a positive impact on Southeast Kansas and communities like Cherokee County are continually threatened by the actions of pharmaceutical manufacturers and Pharmacy Benefit Managers (PBM).

Currently, multiple pharmaceutical manufacturers refuse to offer 340B pricing to contract pharmacies. As you know, the federal courts have ongoing litigation regarding this issue. While CHC/SEK has worked tirelessly to ensure that patients who depend on contract pharmacies for medications have access, the process is time consuming and costly.

Additionally, CHC/SEK continually battles payment discrimination from PBMs. PBMs have a history of reimbursing CHC/SEK at a lower rate than their non-340B counterparts, removing the benefit of the 340B discount and limiting the available funding CHC/SEK has for pharmacy operations and other services (e.g. the services of FRSs).

An example of PBM discrimination that CHC/SEK faces, relates to the prescription of Eliquis. Eliquis is a medication that helps reduce the risk of strokes and blood clots in patients who have atrial fibrillation, or patients who have a risk of forming blood clots in their legs and lungs after having a hip or knee surgery.

Script No. 1 (Submitted as a 340B claim) **Script No. 2 (Submitted as a non-340B claim)**

Insurance paid:	\$297.61	Insurance paid:	\$477.52
<u>Patient copay:</u>	<u>\$47.00</u>	<u>Pt. copay:</u>	<u>\$47.00</u>
Total reimbursement:	\$344.61	Total reimbursed:	\$524.52

The pending Kansas legislation, House Bill 2383 and House Bill 2260, would help address this type of PBM discrimination and the approximately \$180.00 per prescription for Eliquis that CHC/SEK could be investing back into healthcare for rural Kansans. For these types of reasons, requiring PBMs to not discriminate against 340B entities or interfere in a patient's access to 340B medications will ensure that life-saving medications remain accessible for all Kansans.

Legislation, like House Bill 2383 and House Bill 2260, is vitally important for the provision of pharmacy services and other services in communities like Cherokee County, as certain services (e.g. the services of FRs) would likely not be possible without CHC/SEK's participation in the 340B program. On behalf of CHC/SEK's Leadership Team, I express our sincere appreciation for the Kansas legislature's efforts to address payment discrimination issues with PBMs.

Regardless of the actions of this Committee and similar discussions/legislation at the federal level, I can assure that CHC/SEK will continue to be good stewards of the resources available to us and will continue to do all the good that we can, for all the people we can, in all the ways that we can, for as long as we can in the poorest regions of this state and the State of Oklahoma.

Thank you for allowing me the time to speak with you regarding the 340B program and its importance to CHC/SEK, the residents of Cherokee County, and the residents of the State of Kansas.

Best regards,

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