

Testimony of

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*Supporting*  
***Senate Bill 11: An Act Concerning Prescription Drug Access and Affordability***  
***(Sections 17 & 18)***

Human Services Committee  
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Thank you for the opportunity to provide support for sections 17 and 18 of Senate Bill 11, An Act Concerning Prescription Drug Access and Affordability.

On behalf of the Community Health Center Association of Connecticut (CHC/ACT), and its sixteen member health centers, I want to thank the Committee for its dedication to improving the health of people in our state. Connecticut's Community Health Centers serve more than 440,000 people each year – about 1 in every 8 residents – providing medical, behavioral health, and dental care in hundreds of locations across the state.

**Although most (approximately 60%) health center patients are on HUSKY, it is important to understand that these sections of this bill, regarding the 340B program, are completely unrelated to HUSKY.**

Across all Connecticut health centers, approximately 16% of patients are uninsured, 8% are on Medicare, and an additional 16% have commercial insurance, which sometimes comes with high deductibles and copays. It is for these 40% of our patients – about 176,000 people – that the 340B program comes into play. This program is a critical tool for them to gain access to low-cost prescription drugs, and also helps health centers achieve revenue that they are able to put back into the system to treat low-income people.

How does the 340B program work? In order to participate in the Medicaid program, pharmaceutical manufacturers agree to provide outpatient drugs to “Covered Entities,” including federally-qualified health centers, at significantly reduced prices. Health centers are then reimbursed for the medications by Medicare and commercial insurance at the same price as other, non-340B medications. The revenue is then invested back into the safety net, to expand access to health care services for those most in need.

Until recently, under the 340B program, patients of Covered Entities could pick up their prescriptions at a variety of locations. For example, health centers could either have in-house

pharmacies and/or they could contract with one or more (sometimes several) local pharmacies for their patients to access medications where it is convenient for them.

Over the past several years, almost all pharmaceutical companies have actively worked to reduce their participation in the 340B program. To the detriment of our patients, they have restricted FQHCs and other entities to choosing one contract pharmacy for their 340B medications. This restriction may cause patients to have to travel significant distances, placing undue burden on them, as they must figure out how to get to the pharmacy and fit this travel into their schedules – or they can pay a much higher price at the more convenient pharmacy nearby. Unfortunately, the non-340B pricing of so many common drugs are outside their household budgets.

To be clear, these restrictions are already happening. Our patients are already being impacted. And yes, simple medical issues are going untreated because of these unnecessary obstacles being placed in front of the most vulnerable residents of Connecticut.

The current restrictions are hugely limiting for people who already face many barriers to accessing health care and prescription drugs. If patients who have transportation problems, nontraditional work schedules, child care issues, and other challenges are required to travel ten or twenty or thirty miles or more to pick up a medication at an affordable price, they most likely will simply go without. This will lead to them becoming sicker, impacting their quality of life.

While the 340B program is federal law, and Congress could fix this issue, they have been slow to do so. Meanwhile, in the past few years, at least eight other states – across geographies and political spectrum – have found ways to fix it on their own. Arkansas, Kansas, Louisiana, Maryland, Minnesota, Mississippi, Missouri, and West Virginia have all passed laws prohibiting this contract pharmacy restriction. Although pharmaceutical companies initially responded with lawsuits against Arkansas and Louisiana, those states have consistently won their suits. In December, the Supreme Court declined to take up PhRMA's challenge of the Arkansas law.

So why not Connecticut? This commonsense proposal will protect people who most need the safety net. It costs the state nothing, ensures people can shop at their local pharmacies – and is one of the most effective ways of enhancing health care affordability for our uninsured and underinsured residents.

Thank you for your consideration and your hard work on behalf of our great state. Please feel free to reach out with any questions: [dpolun@chcact.org](mailto:dpolun@chcact.org) or 860.667.7820.