

February 1, 2021

Representative Tina Liebling
Chair, House Committee on Health Finance & Policy
477 State Office Building
Saint Paul, MN 55155

Delivered electronically

Dear Chair Liebling:

The purpose of this communication is to seek clarification about HF8 – the Prescription Drug Purchasing Program. The Minnesota Association of Community Health Centers (MNACHC) represents the state’s 17 Federally Qualified Health Centers (FQHCs). Collectively, FQHCs serve 200,000 low-income Minnesotans throughout the state.

Access to affordable health care services is at the core of the FQHC mission for over five decades as a vast majority of our patients are either uninsured or enrolled in a public health care program such as Medical Assistance (MA) or MinnesotaCare.

To promote affordable access to primary medical, dental, and behavioral health care services, FQHCs deploy a wide range of programming – ranging from a sliding fee schedule for uninsured Minnesotans to ancillary services such as transportation and language interpretation.

One of the vital programs FQHCs access to provide discounted prescription drugs to their patients is the federal 340B prescription drug program. The program, named for the federal authorizing statute in 1992, **helps vulnerable or uninsured patients access discounted prescription drugs at “covered entities,” including FQHCs**. The program provides significant discounts for FQHC patients and, per federal statute, enables FQHCs to stretch federal resources to provide more comprehensive services to our communities.

In our review of HF8, MNACHC seeks clarification on the following issues:

- If enacted into law, would the resultant program replace the 340B program in the state of Minnesota for Medical Assistance (MA) and MinnesotaCare beneficiaries;
- What are the projected level of savings for patients under the proposed program compared to the existing 340B program; and

- How will the resultant program impact FQHC participation in the 340B program for uninsured Minnesotans who rely on the program for affordable, life-saving, prescription drugs.

Lastly, FQHC participation in the 340B program allows health centers to stretch scarce resources to invest in our operations. Changes to the state's 340B program may have an indirect impact on health centers' programming to expand access to primary medical, behavioral health and oral health services.

MNACHC and our member FQHCs are committed to all proposals that support vital primary care services to low-income communities. We look forward to working with you and the Committee to understand the impact of HF8 on a valuable federal program that delivers significant savings to low-income FQHC patients. Please contact me at (612) 253-4715, ext 1, or at jonathan.watson@mnachc.org to further discuss this issue.

Respectfully,

A handwritten signature in cursive script that reads "Jonathan B. Watson".

Jonathan Watson, CEO