



Minnesota Hospital Association

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Sent Electronically

Representative Zack Stephenson
Chair, House Commerce Finance and Policy Committee
Re: HF 8 Section 2

Mr. Chair and Committee Members,

We are reaching out to you today on behalf of the Minnesota Hospital Association (MHA) regarding our concerns with HF 8. Despite having significant concerns with Section 1 of the bill and its impacts to the Federal 340B Drug Pricing Program (340B), we understand the jurisdiction of the Commerce Committee and will limit our comments and discussion to Section 2 per the Chair's request.

HF 8 Section 2 and the potential recommendations to expand the proposed prescription drug purchasing program to commercial insurance plans is predicated on an assumed implementation of the actual program in Section 1. Therefore, we urge the Committee and Legislature to use caution in vetting Section 2 given that the program does not currently exist and any discussion on its expansion is lacking key information on how the program would impact Minnesota.

To address the lack of information, we believe that Minnesota can and should first learn from other state experiences. California and New York are both moving ahead with a prescription drug purchasing program similar to HF 8, but there are now lawsuits and calls for reconsideration from numerous state legislators and stakeholder groups. While both states still plan to go live in April 2021, they have also taken considerable steps to account for the significant financial impacts from changes to 340B and the subsequent loss of critical funding for safety net services in underserved communities.

While MHA does not support HF 8, if Section 2 were to move forward we urge the Committee and the Legislature to consider the following questions: How would these recommendations be developed? Would recommendations incorporate experiences from other states? Would recommendations incorporate input from safety net providers and the patients they serve? And, how would any recommendations study the negative and full consequences of a state run prescription drug purchasing program under fee-for-service rather than managed care?

Thank you for your consideration for our comments.

Sincerely,

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