



WOOD RIVER HEALTH
Caring for Our Community Since 1976

April 10, 2025

The Honorable Susan R. Donovan
Chair, House Committee on Health and Human Services
Via: HouseHealthandHumanServices@rilegislature.gov

Re: H5634 – An Act Relating to Businesses And Professions – Defending Affordable Prescription Drug Costs Act

Dear Chairwoman Donovan and Members of the House Health and Human Services Committee:

Passage of **H5634** is extremely important to Wood River Health. We are one of Rhode Island's eight community health centers:

- Blackstone Valley Community Health Care
- Comprehensive Community Action Program
- East Bay Community Action Program
- Providence Community Health Centers
- Thundermist Health Center
- Tri-County Community Action
- WellOne Primary Medical and Dental Care
- Wood River Health

H5634 protects the 340B Program, a program that enables us and other safety net providers to purchase outpatient drugs at deeply discounted prices. When our uninsured patients access drugs purchased under the 340B Program, we pass the discount on to them. When our insured patients access 340B purchased drugs, the insurers reimburse us. The difference between what we paid for the drug and the reimbursement we receive results in revenue that we use to provide high-quality, comprehensive primary medical, behavioral, and dental care to our patients.

340B savings are essential to our ability to meet the needs of our patients and community. Our service area is considered rural and the most frequently cited barrier to accessing care is transportation. This is no public transportation available to our Hope Valley or Westerly locations. Revenues from the 340b program help support a part-time driver and maintenance of our van, which is used to provide no-cost transportation to our locations for patient appointments.

Why is this legislation necessary?

Prior to 2020, our patients were able to access their prescriptions at many different contract pharmacies, pharmacies that agree to dispense 340B drugs on our behalf. Agreements with contract pharmacies are needed to make it easier for our uninsured patients to save money on prescriptions. Contract pharmacies also ensure we are able to leverage the 340B program effectively. In 2020, drug manufacturers began to limit shipments of 340-priced drugs to only one contract pharmacy site. Attached is a list of the drug makers that impose these contract pharmacy restriction. The contract pharmacy restrictions have hurt patient access and dramatically impacted our bottom line – in the last 2 years, our revenue from 340B has decreased by \$1 million.

With this reduction in revenue we faced the need to reduce expenses to maintain a break-even operating budget. These expense reductions included reducing employee benefits, layoffs, hiring freezes and no salary increases for any staff in the last 12 months. All of these expense reductions occurred despite the increase in our total unique patient volume from 9,186 in calendar year 2023 to 10,428 in calendar year 2024.

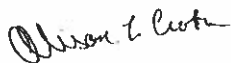
H5634 would prohibit drug manufacturers from restricting the pharmacies that can participate in 340B.

Ten states have passed similar legislation, and 26 states have introduced legislation in their most recent sessions.

The 340B Program does not use any state funding. Passage of H5634 will protect a vital and necessary source of revenue for our health center and it will not cost the state one penny! If the bill does not pass, the already fragile primary care system will become even more strained.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Alison L. Croke".

Alison L. Croke
President & CEO

**Pharmaceutical Manufacturer Contract Pharmacy Restrictions
As of 03.18.2025**

Manufacturer	Contract Pharmacy Restrictions	
	Date Announced	Date First Effective
Eli Lilly	May 2020	7/1/2020; 9/1/2020
Sanofi	7/27/2020	10/1/2020
Astra-Zeneca	8/17/2020	10/1/2020
United Therapeutics	11/18/20	n/a
Gilead	3/15/22	5/2/22
Merck	5/15/23	6/12/23
Bausch	7/1/22	8/1/22
Amgen	2/23/24	3/19/24
Boehringer Ingelheim	8/5/22	9/1/22
GSK	3/31/23	5/1/23
Bristol Myers Squibb	10/6/23	11/1/23
Liquidia	3/1/24	Once drug hits market on 5/23/25
Sumitomo	4/1/24	5/1/24
Novo Nordisk	5/2/24	7/1/24
Sobi	6/3/24	7/1/24
Bausch + Lomb	6/5/24	7/1/24
Alkermes	6/7/24	7/22/24
Viatis	7/1/24	8/1/24
Bayer	8/30/24	10/1/24
EMD Serono	8/30/24	10/1/24
Organon	10/21/24	12/1/24
UCB	10/25/24	11/25/24
AbbVie	12/2/24	1/1/25
Biogen	12/19/24	1/20/25