Maryland
Hospital Association

February 29, 2024

To: The Honorable Joseline Peña-Melnyk, Chair, House Health & Government Operations Committee

Re: Letter of Support - House Bill 1056 - State Board of Pharmacy - Prohibition on Discrimination Against 340B Drug Distribution

Dear Chair Peña-Melnyk:

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to support House Bill 1056, which would ensure equitable access to essential medications for all Marylanders by prohibiting discrimination against 340B drug distribution.

By preventing limits or restrictions on the acquisition or delivery of 340B drugs, covered entities can generate savings, allowing them to continue providing countless other services to meet the unique needs of the vulnerable populations they serve. The 340B program plays a vital role in ensuring that pharmaceutical costs, a significant cost-driver, do not compromise the operational stability and sustainability of these safety-net providers.

Furthermore, HB 1056 aligns with our commitment to ensure all communities across the state can access affordable and necessary care and resources for healthy lives. Community health centers play a vital role in the health care ecosystem by providing access to primary care. Many community health centers already face financial challenges, and without the protections of this bill, pharmaceutical manufacturers can impose additional discriminatory practices that may further strain their viability. Loss of the vital services these centers provide may increase emergency department visits, heighten unnecessary hospital service utilization, worsen hospital throughput, and raise patients' out-of-pocket costs. This bill upholds the principles of equity and access across the health care spectrum and ensures Marylanders continue to receive high-quality and affordable care.

For these reasons, we request a *favorable* report on HB 1056.

For more information, please contact:
Brian Sims, Vice President, Quality & Equity
Bsims@mhaonline.org