



**COMMUNITY CARE  
NETWORK OF KANSAS**

To: House Insurance Committee  
From: Denise Cyzman, CEO, Community Care Network of Kansas  
RE: HB 2598  
February 17, 2020

Chair Vickrey and members of the committee. As Chief Executive Officer of the Community Care Network of Kansas (Community Care), I have the honor to represent a network of community clinics providing primary, behavioral and dental care. Many of our clinics provide pharmaceutical services, including participation in what is known as the 340B Drug Discount Program.

Enacted by Congress in the 1992 Public Health Service Act, 340B is a private-public partnership that requires pharmaceutical manufacturers to sell prescription drugs to eligible providers at a discount, for outpatient use. Congress had two purposes in mind:

1. Provide affordable, life-saving prescription drugs to the underserved.
2. Support enhanced patient access to more comprehensive services.

Savings generated by having a lowered 340B ceiling price allow Community Care clinics to provide a number of otherwise unaffordable services. Expanded behavioral services, additional clinic locations, staff to accommodate seeing more patients, transportation services, nurse education, diabetes programs, and additional co-pay assistance programs above the sliding scale are just a sampling.

However, all of the affordable prescriptions and additional services provided are predicated on Pharmacy Benefits Managers (PBMs) paying the same price to 340B covered entities as they do non-340B pharmacies. Across the country, including here in Kansas, PBMs and others are not honoring the intent of the program. They are inserting themselves between the drug manufacturers and health centers to extract a percentage of the savings.

There are many ways PBMs engage in disparate, or discriminatory, contracting:

- Offering lower reimbursement for a drug purchased under 340B than if purchased outside 340B.
- Refusing to cover drugs purchased under 340B, either directly or by refusing to allow 340B pharmacies to participate in their networks.
- Imposing fees or more stringent metrics to pharmacies designated as 340B covered entities.
- Charging more than fair market value or seeking "profit-sharing" in exchange for services involving 340B drugs.

Community Care believes House Bill 2598 appropriately demands Pharmacy Benefits Managers treat all Kansas entities fairly, and correctly requires more stringent oversight. Unchecked, PBMs have proven willing to transfer 340B savings away from serving low-income, uninsured Kansans directly to PBM shareholders. This is an unacceptable practice.

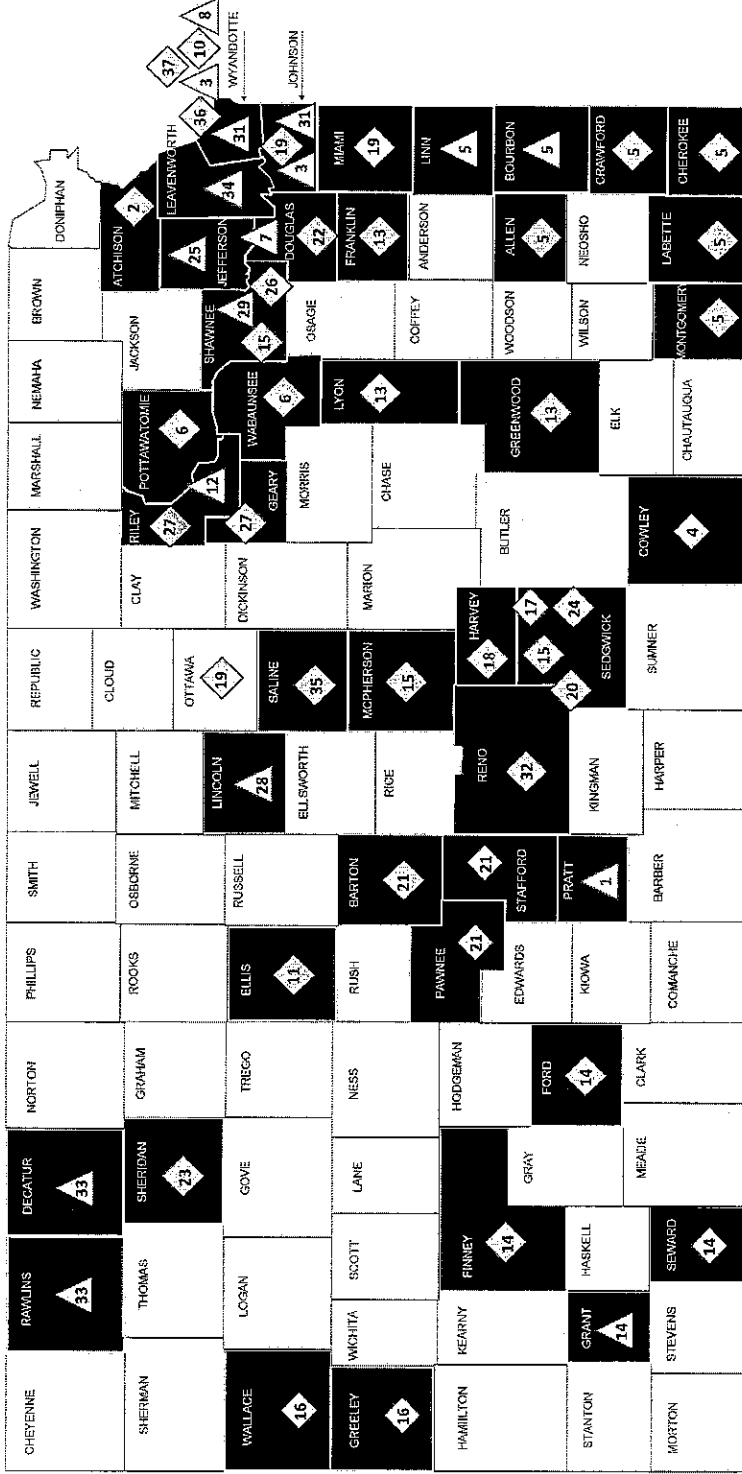


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Our concerns are expressed in House Bill 2631, which is in the House Health and Human Services Committee but has not yet had a hearing. We respectfully request if the Committee debates and amends House Bill 2598, the contents of HB 2631 be considered as a friendly amendment, because it has the support of the supporters of HB 2598.

Thank you.

# 2020 Member Clinics



**Medical Services only**

1. Agape Health Clinic
3. Children's Mercy West, Cordell Meeks Clinic
5. Community Health Center of SE Kansas
8. Duchesne - Caritas Clinic,
12. Flint Hills Community Clinic
14. Genesis Family Health
25. Jefferson County Health Department
28. Lincoln County Medical Services
31. Mercy and Truth Medical Missions
34. Saint Vincent - Caritas Clinics

**Medical, Dental, and Behavioral Health Services**

2. Atchison Community Health Clinic
5. Community Health Center of SE Kansas
6. Community Care Ministries
11. First Care Clinic
13. Flint Hills Community Health Center
15. GraceMed Health Clinic
14. Genesis Family Health
18. Health Ministries Clinic
19. Health Partnership Clinic
20. HealthCore Clinic
21. Heart of Kansas Family Health Care
22. Heartland Community Health Center
23. Hoxie Medical Clinic
24. Hunter Health in Sedgwick County

**Medical & Behavioral Health Services**