## HOUSE RESOLUTION

URGING THE GOVERNOR, DEPARTMENT OF HUMAN SERVICES, AND DEPARTMENT OF HEALTH TO EXPLORE AVENUES TO ENSURE CONTINUED ACCESS TO AFFORDABLE MEDICATIONS FOR THE STATE'S UNDERSERVED POPULATIONS UNDER THE 340B DRUG PRICING PROGRAM AND URGING HAWAII'S CONGRESSIONAL DELEGATION AND RELEVANT FEDERAL AGENCIES TO MONITOR PHARMACEUTICAL COMPANIES AND TAKE APPROPRIATE ACTIONS TO PROTECT THE INTEGRITY OF THE 340B DRUG PRICING PROGRAM.

WHEREAS, the federal 340B Drug Pricing Program (340B Program) requires pharmaceutical companies to sell outpatient drugs at discounted prices to covered entities, including certain types of hospitals and federally qualified health centers (FQHCs), for the pharmaceutical companies' medications to be covered by Medicaid; and

WHEREAS, more than two thousand six hundred hospitals were participating in the 340B Program as of January 2023; and

WHEREAS, to be eligible for the 340B Program, hospitals must meet various criteria, which may include treating disproportionate numbers of low-income Medicare and Medicaid patients, as measured by each hospital disproportionate share hospital adjustment percentage; and

WHEREAS, the 340B Program plays a vital role in supporting access to affordable pharmaceuticals for eligible hospitals and FQHCs serving vulnerable populations across the United States; and

WHEREAS, the 340B Program enables participating hospitals and FQHCs to stretch scarce federal resources to reach more eligible patients and provide comprehensive health care services to underserved communities; and

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WHEREAS, it is crucial to safeguard the integrity and effectiveness of the 340B Program to ensure continued availability of discounted medications; and

WHEREAS, pharmaceutical companies have a responsibility to support access to affordable medications for all patients, including those served by hospitals and FQHCs participating in the 340B Program (340B hospitals and FQHCs), and should refrain from engaging in actions that hinder the ability of eligible hospitals and FQHCs to fulfill their mission of providing high-quality care to underserved populations; and

WHEREAS, recent trends indicate that pharmaceutical companies are intentionally undermining the purpose of the 340B Program by imposing provisions that restrict the ability of 340B hospitals and FQHCs to utilize contracted pharmacies for the distribution of drugs under the 340B Program (340B drugs); and

WHEREAS, these restrictions jeopardize the ability of 340B hospitals and FQHCs to effectively serve their patients and create unnecessary barriers to accessing affordable medications; now, therefore,

BE IT RESOLVED by the House of Representatives of the Thirty-second Legislature of the State of Hawaii, Regular Session of 2024, that the Governor, Department of Human Services, and Department of Health is urged to explore avenues to collaborate with 340B hospitals and FQHCs, community pharmacies, and other stakeholders to ensure the continued accessibility to affordable medications for underserved populations in Hawaii; and

BE IT FURTHER RESOLVED that the Governor, Department of Human Services, and Department of Health is urged to work with pharmaceutical companies to ensure that the companies uphold their commitment to patient access to affordable pharmaceuticals by refraining from implementing restrictions that undermine the ability of 340B hospitals and FQHCs to serve their patients and communities; and

BE IT FURTHER RESOLVED that the Hawaii congressional delegation and relevant federal agencies are urged to monitor

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and address any instances of pharmaceutical company actions that restrict access to 340B drugs and to take appropriate legislative or regulatory action to protect the integrity of the 340B Program; and

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BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Governor, Director of the Department of Human Services, Director of the Department of Health, Hawaii's congressional delegation, Administrator of the Health Resources and Services Administration, and the Center for Medicare and Medicaid Services.