THE SENATE THIRTY-SECOND LEGISLATURE, 2024 STATE OF HAWAII

S.C.R. NO. 81

MAR 0 8 2024

## SENATE CONCURRENT RESOLUTION

URGING THE 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 1 Program) requires pharmaceutical companies to sell outpatient 2 drugs at discounted prices to covered entities, including 3 certain types of hospitals, for the pharmaceutical companies' 4 medications to be covered by Medicaid; and 5 6 WHEREAS, more than two thousand six hundred hospitals were 7 participating in the 340B Program as of January 2023; and 8 9 10 WHEREAS, to be eligible for the 340B Program, hospitals must meet various criteria, which may include treating 11 disproportionate numbers of low-income Medicare and Medicaid 12 patients, as measured by each hospital's disproportionate share 13 hospital adjustment percentage; and 14 15 16 WHEREAS, the 340B Program plays a vital role in supporting access to affordable pharmaceuticals for eligible hospitals 17 serving vulnerable populations across the United States; and 18 19 WHEREAS, the 340B Program enables participating hospitals 20 to stretch scarce federal resources to reach more eligible 21 patients and provide comprehensive health care services to 22 underserved communities; and 23 24 25 WHEREAS, it is crucial to safequard the integrity and effectiveness of the 340B Program to ensure continued 26 27 availability of discounted medications; and 28



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WHEREAS, pharmaceutical companies have a responsibility to 1 support access to affordable medications for all patients, 2 including those served by hospitals participating in the 340B 3 Program (340B hospitals), and should refrain from engaging in 4 actions that hinder the ability of eligible hospitals to fulfill 5 their mission of providing high-quality care to underserved 6 7 populations; and 8 WHEREAS, recent trends indicate that pharmaceutical 9 companies are intentionally undermining the purpose of the 340B 10 Program by imposing provisions that restrict the ability of 340B 11 hospitals to utilize contracted pharmacies for the distribution 12 of drugs under the 340B Program (340B drugs); and 13 14 WHEREAS, these restrictions jeopardize the ability of 340B 15 16 hospitals to effectively serve their patients and create unnecessary barriers to accessing affordable medications; now, 17 therefore, 18 19 BE IT RESOLVED by the Senate of the Thirty-second 20 Legislature of the State of Hawaii, Regular Session of 2024, the 21 House of Representatives concurring, that the Department of 22 Health is urged to explore avenues to collaborate with 340B 23 hospitals, community pharmacies, and other stakeholders to 24 ensure the continued accessibility to affordable medications for 25 underserved populations in Hawaii; and 26 27 BE IT FURTHER RESOLVED that the Department of Health is 28 urged to work with pharmaceutical companies to ensure that the 29 companies uphold their commitment to patient access to 30 affordable pharmaceuticals by refraining from implementing 31 restrictions that undermine the ability of 340B hospitals to 32 33 serve their patients and communities; and 34 35 BE IT FURTHER RESOLVED that the Hawaii congressional delegation and relevant federal agencies are urged to monitor 36 and address any instances of pharmaceutical company actions that 37 <sup>·</sup> restrict access to 340B drugs and to take appropriate 38 legislative or regulatory action to protect the integrity of the 39 340B Program; and 40 41



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

