



Senate Committee on Financial Institutions and Insurance

Written Testimony in **Support** of SB 284
March 17, 2025

Nicole Milo, Regional Director Government & Community Affairs
Mountain Region CommonSpirit Health

Chairwoman Dietrich and Members of the Committee:

On behalf of the Mountain Region of CommonSpirit Health, we own and operate 20 hospitals in Colorado, Kansas and Utah as well as multiple health clinics, physician practices, urgency centers and Flight for Life. We employ over 21,000 employees and we are very committed to rural health care which is evident through our longstanding presence in western Kansas.

Not only are our roots deep in rural health but as part of our mission, we believe that access to care and treating the most vulnerable are our calling. As an organization, we have a presence in 24 states and are one of the nation's largest Medicaid providers. Given our deep commitment to the patients and communities we serve, programs like 340b enable us to reach the most remote and vulnerable and ensure they have access to life saving medications.

CommonSpirit Health takes the 340b program very seriously and is diligent in not only complying with the federal guidelines required by the program but we are also proactive in reporting the impact the program has on the communities we serve.

We are deeply grateful that the Kansas legislature took steps in the 2024 session through the budgetary process to protect local pharmacies, hospitals, and clinics and ensure the federal intent of the program of ensuring patient access through the utilization of contract pharmacies was upheld. However, the drug manufacturers have recklessly disregarded the legislative intent and have continued exploiting the lack of enforcement mechanisms by telling our hospitals that they can only contract with one pharmacy.

When limitations are placed upon hospitals to force them to contract with only one pharmacy, the patient suffers and access to care is threatened.

The 340B pharmacy drug program is a **vital lifeline** for safety-net providers, like St. Catherine Hospital-Dodge City and St. Catherine Hospital-Garden City. The 340b

program helps them deliver critical health services in our communities, specifically by helping us offset our over \$22.5M in charity care in the last year alone.

We hope that the Senate Financial Institutions and Insurance Committee will join the dozens of other states that have already protected the access to 340b for the patients who so desperately rely on these medications. We know that courts across the country, including the United States Supreme Court, have agreed that contracting limitations related to this program are well within the bounds of state legislatures.

Your committee can protect our state hospitals, clinics, and local pharmacies rather than adding to the already historically large profit margins of large pharmaceutical companies. By restoring the federal intent of the program, you are holding pharmaceutical companies accountable for the agreements they have made at the federal level by restoring access to all contract pharmacy locations in Kansas.

We are happy to answer any questions the committee may have and appreciate your consideration of these recommended changes to SB 284.