



2025 HB 1473

Senate Human Services Committee

Senator Judy Lee, Chairman

March 12, 2025

Chairman Lee and members of the Senate Human Services Committee, I am Tim Blasl, President of the North Dakota Hospital Association. I am here to testify in support of House Bill 1473. I ask that you give this bill a **Do Pass** recommendation.

This bill aims to create a new subsection to section 43-15.3-08 of the North Dakota Century Code, related to prohibited acts of drug manufacturers; and to provide a penalty.

Hospitals support this bill because it would help strengthen the 340B program. The 340B program was created by congress over 30 years ago. The program requires drug manufacturers to provide outpatient drugs at reduced prices to eligible health care organizations that serve more low-income and underserved patients. Pharmaceutical companies are incentivized to offer these discounts to eligible health care providers in exchange for coverage of these drugs by Medicaid and Medicare.

The 340B program allows eligible hospitals to stretch limited federal resources to provide more affordable health care services to the patients they serve. The program savings have allowed North Dakota hospitals to maintain or enhance health care services in their communities.

Today, the Health Resources and Services Administration (HRSA) administers the 340B program. HRSA does allow covered entities to contract with pharmacies to dispense drugs on their behalf to their eligible patients. Contract pharmacies serve as an extension of the 340B covered entity.

HRSA does conduct audits of covered entities to ensure they are complying with 340B rules and regulations. These audits ensure that 340B drugs are being given only to eligible patients. Also, covered entities conduct self-audits to make sure they are following program rules.

We ask that you give the bill a **Do Pass** recommendation because this legislation aims to ensure that patients have access to discounted drugs. Thank you.

Respectfully Submitted,

Tim Blasl, President
North Dakota Hospital Association