

**Testimony in Support of House Bill 1473**  
**Senate Human Services Committee**  
**Senator Judy Lee, Chair**  
**March 12, 2025**

Chair Lee, Vice Chair Weston, and Members of the Committee:

I am Margaret Asheim, CEO of Family HealthCare, based out of Fargo, ND. I am pleased to present testimony in support of HB 1473 as passed in the House. This bill would stop pharmaceutical companies from imposing contract pharmacy restrictions and protect the 340B drug discount program that is so critical to our organization's mission of providing high quality health care to every person.

Family HealthCare is a private, non-profit, federally qualified health center (FQHC) and has been operating in our community for over 30 years. As an FQHC, Family HealthCare provides comprehensive primary care, including medical, dental, behavioral health, pharmacy, optometry, lifestyle medicine, and other services to all people, regardless of their insurance status or ability to pay. Nearly 25% of our patients are uninsured and approximately 50% of our patients are covered by Medicaid. Most of our patients have incomes at or below the 200% poverty level.

In 2024, we provided care to nearly 15,000 patients in our clinics and dispensed over 80,000 prescriptions through our two contract pharmacies, which operate solely for our patients' benefit. Both our patients and our organization have been directly affected by the negative impacts of the 340B contract pharmacy restrictions imposed by pharmaceutical companies. Increasingly, more pharmaceutical companies are enforcing limitations, often allowing us to designate only one contract pharmacy for 340B pricing. Consequently, we are unable to secure 340B pricing for many medications at our second contract pharmacy, or we can only obtain the discounted pricing by navigating a complex and burdensome array of reporting requirements, which can be challenging for smaller operations like ours to manage.

Uniquely, as a Federally Qualified Health Center, the 340B savings are passed on directly to our low-income patients on our sliding fee discount program. In most cases, those patients pay only \$1.00 above what it costs the pharmacy to acquire the drug from the wholesaler. Without the 340B pricing, these medications are NOT affordable to our patients, even with the sliding fee discount. For example, a 90-day fill of a diabetes drug that costs a few dollars under the 340B program would cost the patient over \$1,100 without the program. In 2024 alone, the 340B program allowed our health center pharmacies to provide savings of \$3.7 million directly to 340B eligible patients in the form of reduced copays. This access to needed medications vastly improves health outcomes for our patients.

In addition to the direct impact of lowering the cost of prescriptions to uninsured patients, the savings we realize on the cost of drugs prescribed to our insured patients are critical to helping us sustain our operations as an FQHC, providing comprehensive primary care to the underserved and uninsured low-income population in our service areas. These are savings that would ultimately provide funds for us to expand access to care and continue to work to prevent unnecessary emergency room visits and avoidable hospitalizations in our communities, creating shared savings across the healthcare continuum.

Thank you for the opportunity to provide this testimony today and I would be happy to answer your questions.

Sincerely,

Margaret Asheim  
Chief Executive Officer  
Family HealthCare