

MINUTES
HOUSE HEALTH & WELFARE COMMITTEE

DATE: Thursday, March 07, 2024

TIME: 9:00 A.M.

PLACE: Room EW20

MEMBERS: Chairman Vander Woude, Vice Chairman Erickson, Representatives Blanksma, Kingsley, Mitchell, Dixon(24), Gallagher, Healey, Redman, Wheeler, Chew (Schmick), Rubel, Roberts

**ABSENT/
EXCUSED:** Representative(s) Wheeler

GUESTS: The sign-in sheet will be retained in the committee secretary's office; following the end of session the sign-in sheet will be filed with the minutes in the Legislative Library.

Chairman Vander Woude called the meeting to order at 9:00 a.m.

MOTION: **Rep. Dixon(24)** made a motion to approve the minutes of the February 22, 27, and 28, 2024, meetings. **Motion carried by voice vote.**

S 1281: **Rep. Sage Dixon**, District 1, presented **S 1281**, legislation to improve the temporary caregiver crisis process for children and families outside of the foster care system. The Department of Health and Welfare is to pay the fees from the utilization of the Federal Bureau of Investigation and Idaho State Police for background checks.

MOTION: **Rep. Blanksma** made a motion to send **S 1281** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Dixon(1)** will sponsor the bill on the floor.

H 671: **Rep. Jordan Redman**, District 3, presented **H 671**, which provides better coverage access for participants in the 340B Federal Drug Pricing Program. Although a federal program, Idaho's sovereignty allows changes to address statewide issues.

Adam Grad, CEO, ACI 340B Management, further presented **H 671**. The drug pricing program purchases outpatient drugs at a significantly reduced price for low income or uninsured patients. In 2021 manufacturers began restricting the number of contract pharmacies. This legislation curtails this type of manufacturer overreach and restores essential savings to rural healthcare pharmacies.

Answering committee questions, **Mr. Grad** said this change would allow qualifying patients to go to any pharmacy. This program does not cover the indigent population.

Kelly Griffith, Executive Director, Regional Pharmacy Services, Kootenai Health, testified **in support** of **H 671**. This program provides an enormous charity for rare, highly priced prescriptions.

Jake Chapman, Director, PBM Retail Pharmacy Services, Kootenai Health, testified **in support** of **H 671**. The 340B Program's intent to stretch federal resources did not include federal guidelines for the use of the funds.

Marcus Hurst, Broulim's Pharmacy, testified **in support** of **H 671**. The current constrictions violate federal and Idaho law.

Brady Brower, Health West Inc., testified **in support** of **H 671**. Patients who have lost medication access face complications and hospital stays. The Health Resources and Services Administration (HRSA) audits assure the funds are helping the uninsured, underserved rural community.

Jared Moore, Pharmacy Director, Full Circle Health, testified in support of **H 671**. The savings from the program are passed on to qualified patients and expand programs such as behavioral health and nutrition.

Responding to questions, **Mr. Moore** explained the contract pharmacy agreements, the benefit of accessibility, and how the new restrictions have impacted rural pharmacies.

Holly Hengglar, Pharmacy Director, Terry Reilly Health Services, testified in support of **H 671** stating the 340B Program makes a difference as patients struggle to afford medications. This program is at no cost to taxpayers.

Steve Thomas, Hawley Troxell, Idaho Association of Health Plans, testified in opposition to **H 671**. Although the fiscal note is silent, he calculates the state health benefit insurance plan would see an impact of \$3.8B or more. The litigation incorporates Title 46, which provides the right to unilaterally void the contract or sue for damages, again harming enrollees.

Monica Graybeal, Director, Heritage Health, testified in support of **H 671**. This program addresses the health and well being of Idaho's most vulnerable and rural citizens who often lack access. Escalating restrictions have compromised the goal to keep Idahoans healthy within their own communities.

MOTION: **Rep. Blanksma** made a motion to **HOLD H 671** in committee.

Kyle Rooks, Idaho Community Health Center Association, testified in support of **H 671** which will help patients access care.

Lauren Smyser, Smith and Malek, Idaho Community Health Association, testified in support of **H 671**. Thus far in other states the federal district courts have sided against the Pharma restrictions, enforcing the authority and power of the states to act when the federal government has not.

Rep. Redman, declared Rule 80, stating a possible conflict of interest. In closing remarks he requested **H 671** be held in committee and a replacement RS be considered.

VOTE ON MOTION: **Chairman Vander Woude** called for a vote on the motion to **HOLD H 671** in committee. **Motion carried by voice vote.**

RS 31599: **Rep. Jordan Redman**, District 3, presented **RS 31599** to replace **H 671**. The only change eliminates the distributors.

MOTION: **Rep. Roberts** made a motion to introduce **RS 31599** and recommend it be sent directly to the Second Reading Calendar.

SUBSTITUTE MOTION: **Rep. Healey** made a substitute motion to return **RS 31599** to the sponsor. **Motion carried by voice vote.**

Due to time constraints, **Docket Nos. 16-0602-2301, 16-0601-2301, and 24-1401-2301** will be carried over to the meeting of March 8, 2024, at 9:00 a.m.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 10:41 a.m.

Representative Vander Woude
Chair

Irene Moore
Secretary