



COUNTY OF RIVERSIDE

Board of Supervisors

District 1	Kevin Jeffries 951-955-1010
District 2	John F. Tavaglione 951-955-1020
District 3 <i>Chairman</i>	Chuck Washington 951-955-1030
District 4	V. Manuel Perez 951-955-1040
District 5	Marion Ashley 951-955-1050

February 20, 2018

The Honorable Richard Pan, MD

Chair, Senate Budget & Fiscal Review Subcommittee No. 3

State Capitol, Room 5114

Sacramento, CA 95814

Re: 340B Drug Pricing – OPPOSE

Dear Senator Pan:

On behalf of the Riverside County Board of Supervisors, I write in opposition to the Governor's proposal to eliminate the use of the 340B program in Medi-Cal. Last year during the budget process the Department of Health Care Services (DHCS) proposed modifying the 340B program to allow the state to capture any savings public health care systems receive from purchasing 340B drugs. In January, the Administration proposed to eliminate the use of the 340B program in Medi-Cal entirely. Please note that their proposal does not include a revenue estimate.

The 340B program allows safety net providers to purchase discounted outpatient drugs and stretch federal resources to serve more eligible patients and provide more comprehensive services. The Governor's proposal would entirely eliminate the 340B program in Medi-Cal in 2019.

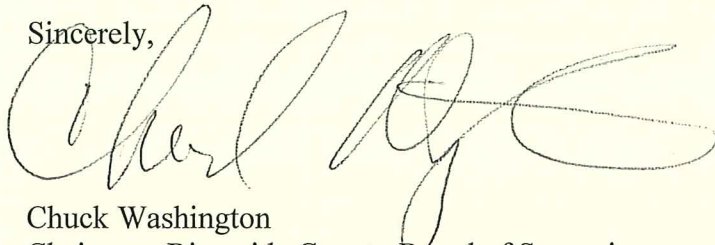
This proposal disproportionately impacts providers that serve the largest number of low-income vulnerable patients. Participation in the 340B program has allowed public health care systems, like the Riverside University Health System, to 1) provide drugs to the uninsured, regardless of ability to pay; 2) offer specific programs to the safety net population around Hepatitis C; 3) offset uncompensated care losses from uninsured and Medi-Cal patients; and 4) use program savings to fund a growing clinical pharmacy residency program, which train pharmacists to act as physician extenders in a region that has severe shortages in family medicine and specialty practitioners.

With limited resources, these savings are important to Riverside University Health System. Because the proposed policy change would impact Medi-Cal managed care drug billing for 340B entities, safety-net systems that serve a disproportionate number of Medi-Cal patients would bear the largest financial risk. If this policy change is implemented it may cause us to reevaluate closing or limiting high-cost drug programs and hospital retail pharmacies.

The Honorable Joaquin Arambula
February 20, 2018
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Riverside County opposes this budget proposal and urges you to reject the proposal. If you have any questions about the County's position, please do not hesitate to contact Deputy County Executive Officer, Brian Nestande at (951) 955-1110 or bnestande@rivco.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Chuck Washington". The signature is fluid and cursive, with a large initial "C" and "W".

Chuck Washington
Chairman, Riverside County Board of Supervisors

cc: Members, Assembly Budget Subcommittee No. 1
Andrea Margolis, Consultant, Assembly Budget Committee
Alex Khan, Consultant, Assembly Republican Caucus
County of Riverside Legislative Delegation
Michael Cohen, Director, Department of Finance
Jennifer Kent, Director, Department of Health Care Services