

**Written Testimony by Emily Goldberg on behalf of African Services Committee
Health Budget Hearing, February 25th 2021**

African Services Committee writes to express our strong opposition to the Pharmacy Carveout component of the 1115 Waiver, and our strong support of S.8948/A.10960 which would delay the carve out for HIV special needs health plans and 340B covered entities (including community health centers, Ryan White HIV clinics, sexual health clinics, and other critical safety-net providers) for three years. As you know, the proposed carve out would deny safety-net providers millions of dollars in 340B savings that are used to expand access to health care for thousands of medically underserved New Yorkers, and to address the barriers to care that drive longstanding health disparities.

Founded in 1981, African Services Committee (ASC) is the oldest and largest non-profit organization in NYC to serve African and Caribbean immigrants. ASC's mission is to provide health, legal, housing, and supportive services to African Diaspora immigrants in NYC and in 2 of the most HIV-affected regions of Ethiopia. It has a deep-rooted health and community focus. ASC directly serves over 3,500 unique clients annually and reaches an additional 6,500 through outreach and education. ASC has expanded to provide a comprehensive range of services for African, Caribbean and other immigrants and persons of color living in impoverished and underserved communities heavily affected by HIV/AIDS.

ASC's services include: linkage to primary care, including patient navigation and interpretation; HIV prevention and PrEP education and access, health education trainings, and outreach; HIV, STD (gonorrhea, Chlamydia, and syphilis), TB, and viral hepatitis (HCV and HBV) testing, and HIV early intervention services; HIV case management; HIV housing placement assistance; HIV legal services; food and nutrition services, such as pantry bags and cooking classes and hot meals; mental health services; ESOL classes; and screening for diabetes and hypertension. ASC's service population is 72% immigrant, 54% female, 95% Black, and 75% impoverished; 55% are ages 19 to 49 and 20% are age 50 or over; most clients are uninsured, including 95% of African immigrants. Geographic areas served include all of NYC, with the majority of clients living in Harlem and the South Bronx.

Since 1992, the Federal Public Health Service Act 340B drug discount program has allowed safety net health care providers to obtain pharmaceutical drugs from manufacturers at reduced costs and to reinvest those savings in order to expand access to care. As expressly stated by the Human Resources and Services Administration (HRSA), the Federal 340B Program was created to enable health providers that serve vulnerable populations to reinvest savings realized "to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services."¹

The 340B program savings are used by NYS safety net providers to expand the type, quality and volume of their health care services, and to address social determinants of health by offering the full complement of clinical and support services that their clients greatly need (e.g.: housing

support; subsidized transportation; food security support; access to legal services, etc.). Yet, language adopted in this year's budget authorized the State to effectively eliminate safety net providers' access to the savings achieved through the federal 340B pharmacy discount program. Specifically, the budget action authorized the State to carve the pharmacy benefit out of Medicaid managed care and into fee-for service, denying safety-net providers the savings realized through 340B discounts. If the State proceeds with this plan, it will have dire consequences for the fiscal stability of safety-net providers and for the health of their patients.

By reinvesting the savings we are able to obtain through the 340B program, African Services Committee is able to provide one-on-one medication access and adherence support ranging from personalized reminders to troubleshooting insurance to translating drug labels and instructions, cover the cost of "over the counter" but essential items out of our clients' financial reach (such as specialist adaptive devices best suited to individual needs), make staff available for immediate response to emerging issues, such as keeping all 340B program clients informed of logistical changes to their pharmacy services as pandemic precautions were rolled out in the spring, and contribute to sustaining our broad range of essential services to the African Diaspora and immigrant community. If New York prevents us from achieving savings through the 340B program, staff reductions or reallocations would diminish the hands-on support available to our clients living with HIV, many of whom are also grappling with immigration, housing, legal, or other urgent needs, and face language and service knowledge barriers in handling the unfamiliar processes or may simply be overwhelmed. The proposed care-out would result in over \$419,650 in savings lost annually, which would have been invested in these other direct client products and services.

As a member of the Ending the Epidemic New York 2020 Community Coalition, African Services Committee is also deeply concerned by the fact that safety-net providers' loss of 340B savings will drastically undermine our significant progress to date towards our shared goal to end New York's HIV/AIDS epidemic by stopping new infections and ending AIDS deaths. The services made possible by 340B savings not only promote optimal health outcomes in New York's most medically underserved communities but are also central to NYS's efforts to realize important public health goals, including NYS's plans for Ending the HIV Epidemic (ETE), for eliminating Hepatitis C (HCV), for addressing the opioid crisis and stopping overdose deaths, and for ending the COVID-19 crisis.

A survey by the ETE Community Coalition of just 15 community health centers and Ryan White clinics revealed that they would lose over \$56 million in annual 340B savings that they currently invest in these public health efforts, undermining their financial stability at a time when providers are already struggling with reduced revenues and increased costs. As the result, these providers report that their patients will lose access to life saving medications, care coordination necessary to manage chronic health conditions, and a range of otherwise uncompensated or underfunded wrap-around services that are essential to effective prevention and care for vulnerable New Yorkers. In particular, these services are critical to reducing the persistent health disparities experienced by the people served by these safety-net providers—New Yorkers who face barriers to effective disease prevention and treatment due to race, ethnicity, gender identity, sexual orientation, status as a drug user or sex worker, or other sources of bias, discrimination, and

exclusion in health delivery. These are the same patients – low income people, people of color, and people with comorbidities – who have been most affected by COVID-19.

The pharmacy benefit carve-out will victimize these communities again, by limiting their access to care and support in the midst of a global pandemic. We strongly believe it is imperative to entirely reject the “carve-out” for safety net providers participating in the 340B drug discount program. Preventing implementation at this time is a necessary first step. For these reasons, we oppose the Pharmacy Carveout of the 1115 Waiver, and wholly support S.8948/A.10960.

For questions or follow up, please email Emily Goldberg at emilyb@africanservices.org.

¹<https://www.hrsa.gov/opa/index.html#:~:text=The%20340B%20Program%20enables%20covered>