



WESTERN STATES REGIONAL HEMOPHILIA NETWORK WWW.HEMOPHILIAREGION9.ORG

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For Immediate Release

Patients with Chronic and Debilitating Illnesses Will Suffer Under Brown Administration Proposal to Eliminate Discount Drug Program, Health Group Testifies

Healthcare Providers Urge Senate to Oppose Budget Proposal Eliminating 340B Drug Discount Program for Medi-Cal Patients

Sacramento - A Brown administration budget proposal to eliminate the 340B Discount Drug Program for Medi-Cal patients will severely compromise the ability of California's most vulnerable patients to receive the treatments and services they need to live and thrive.

Diane J. Nugent, M.D., Regional Director of the Western States Regional Hemophilia Network and also the Founder and Medical Director of the Center for Inherited Blood Disorders, urged members of the Senate Budget Subcommittee on Health to oppose the Brown Administration's 2018-19 budget proposal to eliminate the outpatient discount drug program for Medi-Cal beneficiaries, citing dire fiscal impacts to California's eleven Hemophilia Treatment Centers (HTCs) serving more than 9,000 patients each year.

"The 340B program provides significant reductions to the cost of outpatient medications and allows those resources to be exclusively reinvested by HTCs back into their programs. This purposeful use of funds is consistent with the intent of the 340B program and has resulted in better patient care and improved outcomes for patients living with chronic and debilitating blood disorders," said Dr. Nugent.

The specialized care at California's HTCs has resulted in:

- Sixty percent reductions in patient morbidity and mortality;
- Improved patient quality of life (i.e. reduced bleed-related hospitalizations, fewer days lost from school and work, increased employment); and,
- Lower short and long-term costs to the state as patients receive timely and appropriate care for their complex conditions.

Stephanie Dansker, mother of 31-year old hemophilia patient, Zack Dansker, also attended the hearing, telling lawmakers that HTCs have saved her son's life. "Because of the specialized care Zack received, he was spared from intracranial bleeds that could have resulted in brain damage or death, and his muscles

Western States/Region IX Hemophilia Treatment Centers: Center for Inherited Blood Disorders; Children's Hospital Los Angeles; Rady Children's Hospital San Diego; City of Hope National Medical Center; Guam Department of Public Health and Social Services; Hemostasis and Thrombosis Center of Nevada; Orthopaedic Hospital Los Angeles; Stanford University Medical Center; Children's Hospital and Research Center - Oakland; UCSF Medical Center; University of California, Davis; University of California, San Diego; Valley Children's Hospital

and joints have not been damaged by prolonged, repeated internal bleeding. My son grew up playing baseball, and is now a thriving adult who is gainfully employed and living on his own. I doubt any of you ever want to look a constituent or family member in the eye and tell them you are sorry that an HTC, which could have treated the bleeding disorder, no longer exists because of a budget you allowed to pass.”

During 2014-2016, over 80 percent of the teams and services provided to HTC patients, at a cost in excess of \$15 million per year, have been supported by income generated by 340B pharmacy services. Eliminating 340B funding would create a substantial shortfall and could result in the loss of patient services in the areas of diagnosis, treatment, prevention, outreach, counseling, education, rehabilitation, case management, outcomes surveillance, coordination with inpatient care, primary and non-hematology specialty care.

Dr. Nugent noted that the proposal to do away with the 340B Drug Discount Program arose from reports that some providers have abused the program. While agreeing the abuses must end, Dr. Nugent urged that, rather than completely eliminating the 340B program for Medi-Cal beneficiaries, the state work with the HTCs, patients, and the many other organizations that have implemented the program with integrity to establish best practices that will prevent future exploitation of the 340B program.

“Eliminating 340B for Medi-Cal patients due to the behavior of some bad actors is effectively throwing the baby out with the bathwater,” said Dr. Nugent. “We hope the Senate will reject this damaging proposal and we look forward to working with the state to improve the program so we can continue our commitment to better the health and well-being of the most vulnerable among us.”

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