



Senate Committee on Financial Institutions and Insurance  
March 5, 2025  
Matthew Schmidt  
President and Chief Executive Officer of Health Ministries Clinic

Chair Dietrich and Members of the Committee thank you for the opportunity to provide written testimony in support of SB 284. I am the CEO of Health Ministries Clinic, a Community Health Center proudly serving the larger Harvey County area. In 2024 we provided approximately 59,000 visits to the 15,000 patients who either came to our clinic or were served through our mobile outreach.

We are a member of Community Care Network of Kansas (CCNK). CCNK is a statewide association serving 25 health centers and community-based clinics providing care at over 90 sites across Kansas. Clinics in our network are open to anyone, with a specialty of serving the most vulnerable and underserved Kansans. Last year, the network served one in nine Kansans, 350,531 patients. Patients visiting our centers disproportionately represent the working poor, the uninsured, and those who receive health coverage via Medicaid. These clinics provide whole-person care, including medical, dental, pharmacy, behavioral health, substance use disorder, care management, and wrap-around services to meet transportation and other social and economic needs. Clinics provided these services through more than 1.16 million patient visits in 2024.

The proposed bill would provide two primary points of relief. It is important to note that these two provisions do not in any way expand the 340B program but simply seek to reaffirm and codify how the program has functioned for decades. The first action is to prohibit pharmaceutical manufacturers from arbitrarily restricting and undermining the use of contract pharmacy arrangements. Plain and simple these arbitrary restrictions limit access for patients and negatively impacts local, independent pharmacies. These access issues are exacerbated in our more rural communities.

The second action would restrict pharmaceutical manufacturers from requiring covered entities to submit additional data beyond what is already required for 340B audits. These requests are cumbersome, expensive and unnecessary to determine if a prescription qualifies under the program rules. To be clear Community Health Centers are in support of transparency and program integrity on the part of all parties. We are not opposed to sharing our data to a neutral party, but we are opposed to the unequal and disingenuous request of the pharmaceutical manufacturers.

The 340B program allows entities like Community Health Centers to do two very significant things. First and foremost, it gives us a mechanism to help ensure that our patients, who disproportionately include uninsured and underinsured, can obtain their prescribed medications. This eliminates our patients from having to make the all too real choice between filling their prescription and paying rent or buying groceries. This is a powerful resource that has a profound impact on the lives of those we serve.

In addition, the 340B program allows us to benefit our patients in a second significant way. Any savings that are realized are cycled back into services designed to benefit all patients we serve, including those with Medicaid. This helps support things like integrating primary care and behavioral health, case management, diabetes education, transportation and other assistive services that help break down barriers to care but often don't have a means of reimbursement. These services are a critical part of what allows us to be so effective.

Make no mistake, if the 340B program is weakened, patients will be impacted. Our ability to ensure that they get their medication will be severely compromised. Our clinics, which employ around 2900 people statewide, will have to lay off staff; many of whom provide assistive services designed to reduce barriers to care. Ultimately, this will also impact taxpayers who will be left holding the bag for all the downstream ramifications while pharmaceutical companies erode a program that has functioned effectively for

decades. This will negatively impact Kansas and Kansans. Other states, both "red" and "blue", have acted on this issue to protect the best interests of their states. We ask you to do the same.

The Community Health Centers program is one of the most widely bi-partisan supported healthcare programs in the country. Why? Because it works. Community Health Centers consistently produce high quality outcomes and save the healthcare system money. The 340B program has served as a cornerstone of these efforts for 30 years all at no taxpayer expense. This program is now, needlessly, being placed at risk. We ask for your assistance in providing a legislative solution to allow Community Health Centers to Continue delivering on our mission to ensure that everyone has access to high quality healthcare and that the fiscal best interests of Kansas are protected.

Respectively,



Matthew D. Schmidt, LSCSW  
Chief Executive Officer