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Re: HB 548

Dear Governor Edwards,

I am a rheumatologist and native New Orleanian. I founded the Rheumatology Alliance of Louisiana in 2005 (right before I lost both of my offices to Katrina) to ensure excellence in care for those with rheumatologic conditions such as lupus, rheumatoid arthritis, psoriatic arthritis, and others. And as a practicing rheumatologist for 30 years I have witnessed many advances in the autoimmune field changing the lives of many patients in Louisiana. Unfortunately, it has also been brought to my attention that young African American lupus patients in Louisiana are not always getting the help that they need from institutions that profit on the 340B Drug Pricing Program. And yet HB 548 will expand this program without any increase in oversight nor auditing of the hospital systems profiting from 340B pricing.

Did you know that Ochsner Health System, a 340 B hospital, turns away young African American female lupus Medicaid patients from their clinic because they have already reached their “share” of Medicaid patients?

The patients I am speaking of are young lupus patients admitted acutely to the Ochsner hospital main campus and were taken care of in the hospital by Ochsner rheumatology fellows and when the fellows wanted to bring them urgently back to their Ochsner rheum clinic after discharge, they were told “No” by Ochsner administration. The administration said to send them back to their primary community care clinic, knowing that it would take these patients up to six months to get into an already overburdened LSU rheumatology clinic.

The excuse given by the hospital administration was that they had already reached their disproportionate share of Medicaid patients.

Considering the “disproportionate share” of young African American lupus Medicaid patients that Louisiana has, compared to the rest of the country, the two examples that were brought to my attention may be just *the tip of the iceberg*.

Needless to say, Ms. Chiquita Brooks Lasure (Administrator of Centers for Medicare and Medicaid) was appalled, when I brought this to her attention. I was a speaker at the Association of Healthcare Journalists and she was the keynote speaker at that meeting. While this decision by Ochsner Health Care System may be “perfectly legal”, it is clearly “perfectly wrong”, and in no way following the original intent and purpose of the 340B program.

This example is not surprising considering that a [majority of 340B entities](#) in Louisiana spend less than the national average on charity care. I have watched the number of contracted pharmacies flourish in wealthier areas (where the insurance is “better”), while uninsured, underinsured and disadvantaged patients are left without the care that they need.

What matters now is before we allow HB 548 to expand the 340B program in Louisiana, we need to make sure that the people, for whom this program was started, are benefiting. A study by IQVIA shows that most 340B eligible patients at contracted pharmacies are not directly benefitting from 340B discounts. From what I have seen, this expansion seems to be benefitting pharmacies that are already in the top Fortune 25. HB 348 does nothing to ensure oversight or auditing of the money trail that leads to 340B hospital systems and their contracted pharmacies nor whether they are actually adhering to the original purpose of the 340B program.

Even the original grantees of the 340B program, community care clinics such as Ryan White clinics, agree that many of the disproportionate share hospital systems are taking advantage of the program and fear that lack of oversight may result in abuse, ultimately reducing discounts for those who actually take care of most of the needy patients.

Many of these original grantees are part of a national coalition that wants to ensure middlemen and other for-profit entities (many of whom are in the top

Fortune 25) are not from profiting from a program that was developed to help the un/underinsured.

Now, we have in Louisiana a situation where sick young Medicaid lupus patients are denied needed care by a hospital system that gets 340B pricing. Yet, at the same time, we are considering passing a law that mandates and expands 340B pricing to these hospital systems and their rich contracted pharmacies without any evidence that eligible patients are benefitting.

I am asking that you to veto HB548 with the understanding that Louisiana must be confident that those who are profiting from this expansion of 340B are first and foremost living up the original intent of the program. Clearly, it makes sense that we need oversight and auditing of the dollars and discounts before mandating and expanding the status quo.

I am copying my Senator, Jimmy Harris, in the hopes that if you veto HB 548 that he will **not vote** to override the veto and will stand with those young Medicaid patients that are being ignored by the systems profiting on 340 B.

Best,



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