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On Behalf Of:
Committee: Senate Committee On Health Care
Measure: HB4012

This bill primarily benefits the bottom-line of greedy for-profit hospitals while raising health insurance premiums for everybody.

Hospital outpatient services are notorious for markups at hospital labs and pharmacies, and an important consumer protection is the insurance industry's use of networked labs and pharmacies at negotiated rates. Bypassing rate negotiation means hospitals pad their bottom line through markups. This is especially true of the flawed 340b program in relation to expensive cancer chemotherapies.

What we've also seen is the redirection of prescriptions toward 340b "pill mills" which fall within a corrupt safe harbor of the Federal Anti-kickback statute. For example, an in-house pharmacy of an expensive Hepatitis C treatment might negotiate a phony 340b price in order to max out the spread. An insurer would balk at paying, say \$20,000 to a 340b claim when it negotiated a network \$9000 price. The "specified settings" of this bill are designed to create slush funds out of the 340b program under the control of corrupt nonprofits.