

Oregon State Legislature Senate Committee On Health Care 900 Court St. NE Salem, OR 97301

March 4, 2025

Re: Opposition to SB 533

Dear Committee Members,

On behalf of the Infusion Access Foundation, I am writing to express our strong opposition to SB 533 and encourage you to vote *NO* on advancing the bill during the upcoming Senate Health Care Committee hearing on 3/5. While we recognize that the intent of this bill is to enhance healthcare access in Oregon, we believe that ongoing challenges within the 340B program complicate the bill's intentions and prevent the program from truly serving vulnerable populations as intended.

The Infusion Access Foundation is a nonprofit organization committed to protecting patient access to infusions and injections across all disease areas. Through both grassroots efforts and direct advocacy, we work to expand access to these essential therapies and assist individuals facing significant barriers to care.

The 340B Drug Pricing Program was created to make medications more affordable for underserved patients by offering discounted drug pricing to eligible healthcare entities. However, instead of prioritizing patient care, large tax-exempt hospitals, private equity firms, and contract pharmacies have turned the program into a profit engine. By loopholes. entities financial exploiting regulatory these reap enormous benefits-charging excessive markups on medicines while leaving vulnerable patients to face high out-of-pocket costs and medical debt. Despite the program's intent to serve medically underserved areas, only 35% of 340B hospitals and 23% of 340B contract pharmacies are actually located in these communities. Meanwhile, profit margins for 340B contract pharmacies are 3.3 times higher than those of independent pharmacies dispensing non-340B drugs, and medicine price markups at 340B hospitals are 6.6 times higher than at independent clinics.¹ The lack of oversight and transparency has

¹ AIR340B, *Overview*: <u>https://340breform.org/overview/</u>



allowed these abuses to persist, straying far from the program's original mission of improving access to affordable medications for those who need them most.

It is crucial that the 340B program is reformed to fulfill its original purpose: improving access to affordable medications for underserved communities. Any legislative action surrounding the 340B program should prioritize transparency, accountability, and equity. This includes ensuring that the savings from the program directly benefit patients, encouraging the expansion of services in rural and underserved areas, and requiring 340B entities to demonstrate how their revenues are reinvested into the communities they serve. Expanding the program without addressing its current shortcomings risks further harm to patients and local providers and perpetuates inefficiencies in the healthcare system.

We must ensure that the 340B program is working as intended to promote access to care and health equity in Oregon, and I encourage you to vote *NO* on SB 533 to stand with patients across the state. Thank you for your consideration.

Sincerely,

Alicia Barron, LGSW Executive Director Infusion Access Foundation