



March 5, 2025

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

Mailing Address:

Attn: Jen Laws
PO Box 3009
Slidell, LA 70459

Via electronic mail

RE: SB 533

Chief Executive Officer:

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Dear Honorable Chairwoman Patterson, Vice Chair Hayden, Members of the Oregon Senate Committee On Health Care, and your respected staff,

The Community Access National Network (CANN) writes in **OPPOSITION** to **SB 533**, which would expand the federal 340B Drug Pricing Program in Oregon without sufficient oversight to ensure the program appropriately serves patients, particularly those living with HIV and other chronic health conditions.

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The **Community Access National Network (CANN)** is a 501(c)(3) national nonprofit organization focusing on public policy issues relating to HIV/AIDS and viral hepatitis. CANN's mission is to define, promote, and improve access to healthcare services and support for people living with HIV/AIDS and/or viral hepatitis through advocacy, education, and networking.

While CANN is primarily focused on policy matters affecting access to care for people living with and affected by HIV, we stand in firm support of all people living with chronic and rare diseases and recognize the very reality of those living with multiple health conditions and the necessity of timely, personalized care for every one of those health conditions. The 340B Program is of profound importance to our community.

Director Emeritus:

William E. Arnold (in Memoriam)
Jeff Coudriet (in Memoriam)
Hon. Maurice Hinchey, MC (in Memoriam)
Gary R. Rose, JD (in Memoriam)

On May 28th, 2024 the “340B Affording Care for Communities and Ensuring a Strong Safety-net Act” or “340B ACCESS Act” was unveiled in the United States House of Representatives. The bill represents a careful negotiation between a variety of stakeholders affected by the 340B program, including but not limited to the National Association of Community Health Centers, a trade organization representing pharmaceutical manufacturers, and several patient advocacy organizations. CANN is proud to count ourselves among the members working to find consensus on reforming the 340B drug discount program.

National Programs:

340B Action Center

PDAB Action Center

Transgender Leadership in HIV Advocacy

HIV/HCV Co-Infection Watch

SB 533 undermines the well-recognized need for reform to align 340B with its original intent because the bill seeks an avenue to [expand 340B contract pharmacy arrangements without limitation](#) – particularly, limitations necessary to ensure proper transparency and accountability.

National Groups:

Hepatitis Education, Advocacy & Leadership
(HEAL) Group

Industry Advisory Group (IAG)

National ADAP Working Group (NAWG)

[The primary harm of contract pharmacies in the 340B program](#) is that they can divert profits intended for low-income patients by allowing large, for-profit retail pharmacies to capitalize on discounted drug prices, potentially leading to less money being reinvested in patient care and a lack of transparency regarding how the savings are being used; this can be considered an abuse of a program designed to help vulnerable populations access affordable medications.

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340B has been the primary driver behind contract pharmacy expansion. Many community, and rural pharmacies are unable to secure contracts with covered entities favoring large entities, reducing competition, *leading to pharmacy consolidation* often to wealthier communities and away from disadvantaged and impoverished communities, exacerbating the growing patient access issue. Directly, expanding contract pharmacies under the 340B program isn't about patients, it's about adding more hands to the 340B cookie jar, at the expense of patients.

Similarly, diversion of program benefit from needy communities and into wealthier communities is only further enabled when the program is expanded without sufficient guardrails. Unchecked, the 340B has encouraged consolidation, community pharmacy closures, harms rural access, and in an extraordinary example of abuse, *been the driving financing force in mismanaged housing programs that have left patients dead.*

340B expansion would certainly be attractive to the ever growing private equity control of large health systems, highlighting the growing corporatization of the U.S. healthcare system. Private equity firms, prioritizing quick profits, often neglect patient care and safety. This raises concerns about the impact of profit-driven healthcare on patient well-being and the need for a reevaluation of healthcare priorities.

Private equity-owned hospitals, driven by profit motives, often cut staffing and increase charges, potentially impacting patient care quality. While some argue for the potential benefits of private equity in healthcare, evidence suggests these investments often prioritize profit over patient well-being.

To be clear, CANN supports a strong 340B program. When 340B operates the way it is intended, safety-net providers thrive and vulnerable communities, families, and individuals gain access to healthcare they might otherwise not have. CANN welcomes discussion on instituting appropriate guardrails into legislation that would serve to strengthen the program, shield good stewards, and hold accountable bad actors within the appropriate limitations of state powers associated with this federal program.

We would be happy to discuss this legislation or any other matters of public health, please feel free to reach out by email or phone at kalvin@tiicann.org , 913-954-8816, or jen@tiicann.org, 313-333-8534.

Respectfully submitted,



Sincerely,
Calvin Pugh
Director of State Policy, 340B
Community Access National Network (CANN)

On behalf of
Jen Laws
President & CEO
Community Access National Network