

Submitter:

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On Behalf Of:

Committee:

Senate Committee On Health Care

Measure, Appointment or Topic:

HB2385

THIS BILL LACKS IN MEETING IT'S INTENT: 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 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.