The Honorable Members of the House Committee on Ways and Means

U.S. House of Representatives 1139 Longworth House Office Building Washington, DC 20515

Re: 340B ACCESS Act Will Bring Much-Needed Oversight and Transparency to 340B Program

Dear Honorable Members of the House Committee on Ways and Means:

We, the undersigned 44 organizations, collectively represent underserved patient populations and clinical care providers seeking to strengthen the federal 340B program. On behalf of the communities we represent, we write to express our strong support to the recently introduced 340B Affording Care for Communities and Ensuring a Strong Safety-Net (ACCESS) Act of 2025, which would establish critical oversight and transparency of the 340B program to ensure 340B is truly benefiting patients.

Due to a lack of meaningful oversight and transparency, the 340B program has grown exponentially and is currently the second largest prescription drug program in the nation. In 2023, covered entities purchased over \$66 billion in discounted, covered outpatient drugs under 340B. Despite this immense growth, 340B continues to veer off track, benefiting the bottom lines of large, tax-exempt hospital systems and middlemen, including national for-profit chain pharmacies and pharmacy benefit managers (PBMs), at a significant cost to all Americans. The Congressional Budget Office (CBO) recently confirmed the 340B program raises costs for taxpayers with no evidence patients are benefitting.

Big, tax-exempt hospitals and clinics are abusing the federal 340B program, marking up medicines acquired at a discount under the program to generate profit instead of improving access to needed medicines for patients. The current system allows 340B hospitals to purchase medicines at steep discounts and mark them up by as much as 1,000% or more and these markups have become a hidden tax on all Americans.⁴ In addition, 340B hospitals contract with national for-profit pharmacies, most of which are associated with the nation's largest PBMs.⁵ This partnership enables hospitals, contract pharmacies and PBMs to all reap massive profits from the program. Notably, 69% of 340B disproportionate share hospitals (DSH) – hospitals who see a disproportionate number of vulnerable patients – provide below-average levels of charity care (lower-cost or free care) and research shows participation in the 340B program does not improve health outcomes for low-income patients.^{6,7}

The 340B ACCESS Act would address several issues that have allowed the 340B program to grow unchecked with little accountability, including establishing patient affordability requirements,

¹ Health Resources and Services Administration (HRSA), "2023 340B Covered Entity Purchases," 2024.

² New England Journal of Medicine (NEJM) study, "<u>Hospital Prices for Physician-Administered Drugs for Patients with Private Insurance</u>," January 2024.

³ Congressional Budget Office (CBO), "Growth in the 340B Drug Pricing Program," September 2025.

⁴ North Carolina State Health Plan, "<u>State Treasurer Folwell Finds North Carolina 340B Hospitals Overcharged State Employees</u> for Cancer Drugs, Reaped Thousands of Dollars in Profits Per Claim," May 2024

⁵ Avalere study, "PBM, Mail-Order, and Specialty Pharmacy Involvement in 340B," July 2024.

⁶ AIR340B study, "Charity Care at 340B Hospitals is on a Downward Trend," October 2023

⁷ National Library of Medicine study, "<u>The impacts of the 340B Program on health care quality for low-income patients</u>," October 2023.

clarifications around hospital eligibility and enforceable accountability measures. The 340B ACCESS Act is commonsense legislation that will restore the 340B program to patients. 340B hospitals and their for-profit partners should not be able to profit deeply from 340B at the expense of patients, taxpayers, employers and the government.

On behalf of the patients and providers we represent, we thank you for your leadership and ongoing commitment to improving health care access and affordability. Please do not hesitate to contact any of the undersigned organizations directly if we can be a resource for you and your staff.

Sincerely,

ADAP Advocacy

Advocates for Compassionate Therapy Now (ACTN)

Advocates for Responsible Care (ARxC)/Rx in Reach Coalition

AiArthritis

Alliance for Integrity and Reform of 340B (AIR340B)

Applied Pharmacy Solutions (APS)

Arizona Arthritis and Rheumatology Associates (AARA)

Arthritis Associates PLLC

BlackDoctor.org

California Hepatitis C Task Force

CancerCare

Caregiver Action Network (CAN)

Chicago Area Veterans Forum NFP (CAVF)

Chronic Disease Coalition

Coalition of State Rheumatology Organizations (CSRO)

Color of Gastrointestinal Illnesses (COGI)

Connecticut Oncology Association (CtOA)

Drug Shoppe LLC

Global Healthy Living Foundation (GHLF)

Greater Chicagoland Black Chamber of Commerce (GCBCC)

Healthy Men Inc.

Highlands Oncology

ICAN, International Cancer Advocacy Network

Infusion Access Foundation (IAF)

International Association of Hepatitis Task Forces (IAHTF)

Large Urology Group Practice Association (LUGPA)

League of United Latin American Citizens (LULAC)

Lehigh Valley Business Coalition on Healthcare (LVBCH)

National Hispanic Council on Aging (NHCA)

National Infusion Center Association (NICA)

Neuropathy Action Foundation (NAF)

Nevada Chronic Care Collaborative (NCCC)

New Jersey Association of Mental Health and Addiction Agencies, Inc. (NJAMHAA)

New Mexico Cancer Center (NMCC)

North Carolina Rheumatology Association (NCRA)

ONCare Alliance

Oncology Consultants, PA

Patients Rising

Rare Access Action Project (RAAP)
Society of Dermatology Physician Associates (SDPA)
Southern California Rheumatology Society (SCRS)
The Mental Health Association in New York State, Inc. (MHANYS)
Tri-County Hematology and Oncology Associates
Virginia Cancer Institute (VCI)