



Dear Members of the West Virginia House Health & Human Services Committee:

West Virginia ranks in the [top 10 states for the highest spending on healthcare](#) per person. Healthcare access and expenses are a major source of stress for many West Virginians with almost [40% of West Virginia residents living 200% below the Federal Poverty Level](#). Our organizations represent patients, healthcare providers, and other key parts of the healthcare ecosystem that should work solely to meet the needs of the patients it serves. We've collectively worked together throughout the years to improve access to affordable, innovative treatments and serve as a voice for the local community.

We are concerned about House Bill 4892 and Senate Bill 325 regarding the federal 340B Drug Pricing Program. A growing body of evidence reveals the 340B Program is not helping patients the way policymakers originally intended, and the program is [currently under a federal investigation](#).

- **The 340B Program is not working for patients.** A recent investigative piece by the New York Times, [Profits Over Patients: How a Hospital Chain Used a Poor Neighborhood to Turn Huge Profits](#), explores the federal 340B Program and how it's hurting access to healthcare by eliminating basic medical services, especially in poor and underserved areas, which is the exact opposite of the program's original intention to help in-need communities get the services they need. The [Richmond Times Dispatch](#) did a follow-up article with legislators working on solutions to add additional oversight of federal programs and ensure not-for-profits are meeting commitments to the communities they serve.
- **HB 4892 and SB 325 expand the 340B Program.** Rather than realigning the second largest federal drug program, these bills would expand the 340B Program and exacerbate its shortcomings. Instead of benefitting patients, 340B Program expansion would make it easier for program entities and pharmacy benefit managers to reap unchecked profits provided to them by 340B drug discounts. Research has found that 340B entities and their contract pharmacies generate a [72% profit margin on 340B medicines compared to a 22% profit margin](#) on non-340B medicines dispensed through independent pharmacies. Despite these profit margins, studies show that [patients pay 150% more for their prescriptions at 340B entities](#) than at non-340B entities.
- **340B expansion harms rural hospitals.** Expanding the 340B Program before correcting its shortcomings with comprehensive reform puts rural hospitals, clinics and pharmacies at a disadvantage. This is because the 340B Program in its current form has very loose requirements, resulting in more than half of the top 20 companies on the Fortune 500 list generating profit from 340B. Additionally, the most profitable 340B entities provide the least amount of charity care. As these large and profitable entities continue to use the 340B Program to pad their profit margins, smaller and less profitable rural hospitals in the state will continue struggling to keep up.

We appreciate all your work to improve healthcare access and address our state's health equity concerns, and we look forward to continuing to work together in these efforts. **Unfortunately, House Bill 4892 and Senate Bill 325 are premature. We cannot expand the federal 340B program until we can be sure the program works as originally intended – to improve access and health equity in West Virginia.** West Virginia has been a leader in passing reforms to truly help patients in need.

Thank you,

AiArthritis

American Senior Alliance

Biomarker Collaborative

Coalition of Hematology & Oncology Practices

Coalition of State Rheumatology Organizations

Derma Care Access Network

Exon 20 Group

The Headache & Migraine Policy Forum

HEALS of the South

Hispanic Business Alliance

ICAN - International Cancer Advocacy Network

Lupus and Allied Diseases Association, Inc.

MET Crusaders

Neuropathy Action Foundation

PD-L1 Amplifieds