



Dear Kansas Legislator:

Today, we wanted to express our appreciation for the addition of protections against 340B abuse in the omnibus budget bills. This well-intentioned federal program needs reforms to ensure the program benefits the patients for whom the program was originally created. Please vote in favor of the omnibus budgets with these protections in place.

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. 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.** Through the program, drug manufacturers provide [more than \\$90 billion in discounted product](#). Yet only [1% of patients received a discount on their 340B prescriptions](#) at contract pharmacies through the program. 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. 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](#).
- Expanding the 340B Program increases profits for entities and for-profit contract pharmacies without improving access for vulnerable patients.** Rather than realigning a federal drug program this bill would expand the 340B Program and exacerbate its shortcomings. Instead of benefiting patients, 340B 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 local, rural hospitals at a disadvantage. Studies show that the program is [driving consolidation](#) of smaller healthcare providers into larger healthcare entities. In its current form, 340B's loose program entry requirements result in more than half of the top 20 companies on the Fortune 500 list generating profit from the program. As these entities continue making [billions of dollars](#), the 340B Program as it stands today will continue making it harder for smaller and less profitable rural hospitals in the state to struggle to keep up.

We appreciate your work to improve patient access and protecting the 340B program from further abuse without a direct benefit to patients. **We cannot expand the federal 340B program until we can be sure the program works as originally intended - to improve access for patients in Kansas.** Please support the omnibus budgets containing this provision.

Thank you,

AiArthritis
 American Senior Alliance
 Biomarker Collaborative
 Coalition of Hematology & Oncology Practices
 Coalition of State Rheumatology Organizations
 Community Access National Network (CANN)
 Exon 20 Group
 HEALS of the South

Hispanic Business Alliance
 ICAN - International Cancer Advocacy Network
 Lupus and Allied Diseases Association, Inc.
 MET Crusaders
 Mental Health America of the Heartland
 Neuropathy Action Foundation
 PD-L1 Amplifieds
 SLC6A1 Connect