



Michigan Legislature:

Healthcare access and affordability are a major source of stress for Michigan residents with [more than 55% of Michigan residents experiencing healthcare affordability burdens](#). Studies show that [more than 50% of Michiganders delay or skip healthcare treatment due to high costs](#). Our organizations represent patients, healthcare providers, and other key parts of the healthcare ecosystem working collectively to improve access to affordable, innovative treatments and serve as a voice for the local community.

While we appreciate the intent of proponents of this bill to improve healthcare access and affordability in Michigan, **unfortunately, we feel HB 5350 is premature.**

- **The 340B Program was created to help vulnerable patients, but today the 340B program fails to lower patient drug costs or support the community the program was designed to serve.** Through the program, drug manufacturers provide [more than \\$54 billion in discounted product](#). Yet only [1.4% 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 340B Program doesn't ensure benefits reach low-income patients.** Problems with the 340B Program arose when HRSA released a guidance letter in 2010 that allowed covered entities to contract with an unlimited number of pharmacies for 340B prices. Since then, the number of contract pharmacies has increased 8,000%. Sadly, as the program has grown, the percentage of these pharmacies in underserved and economically disadvantaged areas has decreased. [Growth of 340B contract pharmacies](#) is instead increasingly concentrated in "affluent and predominantly White neighborhoods," and 340B contract pharmacy growth is declining in "socioeconomically disadvantaged and primarily non-Hispanic Black and Hispanic/Latino neighborhoods." The minimal prescription discounts that are currently available through the 340B Program are not available to the patients who most need them. Today in Michigan, there are more than 4,250 contracts between Michigan 340B entities and pharmacies nationwide, and less than 30% of contract pharmacies are in medically underserved areas.
- **340B Program expansion is premature while the program is under federal investigation.** Last September, the Senate Health, Education, Labor and Pensions (HELP) Committee opened an [investigation into how 340B revenue is spent](#) to help patients. Since then, the investigation has requested information on revenue spending from 340B [covered entities](#) and [contract pharmacies](#). Additionally, a working group of six bipartisan Senators released a [legislative discussion draft](#) that aims to reform the 340B Program and ensure it is helping patients the way policymakers originally intended.

**Efforts are underway at the federal level to address the disparities that currently exist in the 340B Program and we urge you to wait until those changes are made before taking any action at the state level!** We need to be sure the program works as originally intended – to improve access and health equity in Michigan. Thank you for all you do to improve the quality of lives for all.

Sincerely,

Biomarker Collaborative  
 Coalition of Hematology and Oncology Practices  
 Exon 20 Group  
 HEALS of the South  
 Hispanic Business Alliance  
 Grand Rapids African American Health Institute  
 ICAN - International Cancer Advocacy Network

Lupus and Allied Diseases Association  
 MET Crusaders  
 MI Lupus Foundation  
 Neuropathy Action Foundation  
 PD-L1 Amplifieds  
 MichBio