

**SafeBiologics**  
ALLIANCE for SAFE BIOLOGIC MEDICINES



**Biomarker Collaborative**



COALITION OF HEMATOLOGY AND ONCOLOGY PRACTICES

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New Mexico Legislators:

On behalf of 10+ patient and provider advocacy organizations, we are writing to express our concerns regarding House Bill 78. In New Mexico, approximately 25% of residents live at or below the federal poverty level, one-third reside in rural areas, and 8.4% remain uninsured, presenting significant barriers to accessing affordable care.

Our organizations have worked together to improve access to affordable, innovative treatments for all patients. While we appreciate the intent of this bill to improve healthcare access in New Mexico, we believe it is premature to advance new policies without first addressing existing challenges within the 340B program to ensure it effectively serves vulnerable populations.

The 340B Drug Pricing Program was established in 1992 to increase access to affordable medications for underserved patients by providing discounted pricing for drugs purchased by eligible healthcare entities. Despite its intended purpose of expanding healthcare access for underserved communities, the 340B program's growth has increasingly favored higher-income areas, contributed to rising healthcare costs, and failed to deliver proportional reinvestment in charity care.

- **Growth in Wealthier Areas:** 60% of 340B sites are in areas with higher median incomes, with expansion favoring high-income neighborhoods (+5%) while declining in low-income areas (-5.6%).
- **Higher Costs, No Clear Benefit:** 340B growth added \$32B annually in Medicaid spending (2014-2021), yet care disparities persist. Prescription costs at 340B entities are 150% higher for commercially insured patients.
- **Declining Charity Care:** Top 340B entities reinvest just \$1 in charity care for every \$10 in profit. In New Mexico, the charity care rate (1.7%) falls below the national average (2.5%), while 340B earnings outpace charity spending 4:1.

Reform of the 340B program is critical to ensuring it fulfills its original purpose of improving access to affordable medications for underserved communities. Any legislative action on 340B should emphasize transparency, accountability, and equity by ensuring that program savings directly benefit patients, incentivizing service expansion in rural and underserved areas, and requiring 340B entities to demonstrate how revenues are reinvested in the communities they serve. Expanding the program without addressing its shortcomings risks harming patients and local providers while perpetuating inefficiencies in the healthcare system.

We need to be sure the program works as originally intended: to improve access and health equity in New Mexico.

Thank you,

Alliance for Safe Biologic Medicines

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Coalition of Hematology & Oncology Practices

Exon20 Group

H.E.A.L.S. of the South

Hispanic Business Alliance

International Cancer Advocacy Network (ICAN)

Lupus and Allied Diseases Association, Inc.

MET Crusaders

National Infusion Center Association (NICA)

Neuropathy Action Foundation

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