



Chair Beidle and Vice Chair Klausmeier:

Studies show that [more than 50% of Maryland adults experience healthcare affordability burdens](#). Healthcare access and expenses are a major source of stress for Maryland residents with [more than 20% of Marylanders living below 200% of 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.

While we appreciate the intent of proponents of this bill to improve healthcare access in Maryland, **unfortunately, we feel Senate Bill 986 and House Bill 1056 are premature.**

- **The 340B Program fails to lower patient drug costs.** 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.
- **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 Maryland, there are 894 contracts between Maryland 340B hospitals and pharmacies nationwide, and only 17% of contract pharmacies are located in medically underserved areas.
- **340B Program expansion is premature while the program is under federal investigation.** Last September, Senator Bill Cassidy 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.

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.

**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 Maryland.** Thank you for all you do to improve the quality of lives for those who are lucky enough to call Maryland home.

Respectfully,

AiArthritis  
 American Senior Alliance  
 Biomarker Collaborative  
 Coalition of State Rheumatology Organizations  
 Exon 20 Group

HEALS of the South  
 ICAN - International Cancer Advocacy Network  
 Lupus and Allied Diseases Association, Inc.  
 MET Crusaders  
 PD-L1 Amplifieds

CC: Maryland Senate Finance Committee