



MARYLAND TECH COUNCIL

TO: The Honorable Joseline A. Pena-Melnyk, Chair
Members, House Health and Government Operations Committee
The Honorable Bonnie Cullison

FROM: Kelly Schulz
CEO

DATE: February 29, 2024

RE: **OPPOSE** – House Bill 1056 – *State Board of Pharmacy – Prohibition on Discrimination Against 340B Drug Distribution.*

The Maryland Tech Council (MTC) writes in **opposition** to *House Bill 1056: State Board of Pharmacy – Prohibition on Discrimination Against 340B Drug Distribution*. We are a community of nearly 800 Maryland member companies that span the full range of the technology sector. Our vision is to propel Maryland to become the number one innovation economy for life sciences and technology in the nation. We bring our members together and build Maryland's innovation economy through advocacy, networking, and education.

This bill would prohibit a drug manufacturer from taking actions to limit or restrict the acquisition or delivery of a 340B drug. The Federal 340B drug program was designed to help low-income patients receive necessary medications they might not be able to afford. Under this program, drug manufacturers have provided billions of dollars in steep discounts on medicines to health clinics and qualifying hospitals on the premise that those facilities would ensure patients have access to the medicines. Unfortunately, reality has not matched the original purposes of the 340B program. Instead, hospitals and large chain pharmacies have been using the 340B program to boost profits by obtaining deeply discounted drugs under 340B and then charging uninsured patients and insurance companies higher prices and keeping the difference.

MTC believes this is an issue that should be resolved by Congress at the Federal level. Congress should pass measures to ensure the 340B benefits are reaching their intended recipients and that there is accountability in the program to ensure it is not being abused. This legislation does not address the main problem with 340B, which is to ensure the program is being utilized as Congress intended. For this reason, we respectfully request an unfavorable report.