

August 5, 2025

**The Honorable Members of the Subcommittee on Health**

House Committee on Energy and Commerce

U.S. House of Representatives

2125 Rayburn House Office Building

Washington, D.C. 20515

**Re: Expanding 340B Would Allow Middlemen to Continue Profiting at the Expense of Patients**

Dear Chairman Griffith, Vice Chair Harshbarger, and Members of the Subcommittee:

We, the undersigned 29 organizations, collectively represent underserved patient populations and clinical care providers seeking to strengthen the federal 340B program. On behalf of the communities we represent, **we write to express our strong opposition to the recently introduced 340B PATIENTS Act of 2025**, which would expand an already abused program raising health care costs and allow for health industry middlemen to further profit at the expense of patients.

Due to a lack of meaningful oversight and transparency, the 340B program has grown exponentially. In 2023, covered entities purchased over \$66 billion in discounted, covered outpatient drugs under 340B.<sup>1</sup> Despite this immense growth, 340B continues to veer off track, benefiting the bottom lines of large hospital systems and middlemen, including national for-profit chain pharmacies and pharmacy benefit managers (PBMs), at a significant cost to all Americans.<sup>2</sup>

340B hospitals contract with national for-profit pharmacies, most of which are associated with the nation's largest PBMs.<sup>3</sup> This partnership enables hospitals, contract pharmacies and PBMs to all reap massive profits from the program. Since the Health Resources and Services Administration (HRSA) began allowing 340B covered entities to contract with an unlimited number of pharmacies in 2010, these arrangements grew from fewer than 2,000 in 2010 to more than 200,000 in 2024, contributing to the explosive growth in 340B pharmacy and covered entity margins on medicines.<sup>4</sup> However, there are no requirements for contract pharmacies to share savings with patients, and they often charge patients based on the full list price even though they acquired the medicine at a discount. Contract pharmacies are also increasingly clustered in predominantly white and affluent areas – just 23% of contract pharmacies are in medically underserved areas, and that figure has gotten worse in recent years.<sup>5</sup>

Exploitation of 340B for profit raises costs for everyone. **Codifying contract pharmacy policy with no guardrails would exacerbate existing abuses. It is imperative to halt any effort to expand 340B without bringing meaningful transparency and oversight to ensure patients in need are benefiting.**

On behalf of the patients and providers we represent, we thank you for your leadership and ongoing commitment to improving health care access and affordability. Please do not hesitate to contact any of

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<sup>1</sup> Health Resources and Services Administration (HRSA), "[2023 340B Covered Entity Purchases](#)," 2024.

<sup>2</sup> New England Journal of Medicine (NEJM) study, "[Hospital Prices for Physician-Administered Drugs for Patients with Private Insurance](#)," January 2024.

<sup>3</sup> Avalere study, "[PBM, Mail-Order, and Specialty Pharmacy Involvement in 340B](#)," July 2024.

<sup>4</sup> BRG study, "[For-Profit Pharmacy Participation in the 340B Program: 2025 Update](#)," January 2025.

<sup>5</sup> AIR340B report, "[A missed opportunity to address those that are medically underserved](#)," July 2023.

the undersigned organizations directly if we can be a resource for you and your staff.

Sincerely,

ADAP Advocacy

Advocates for Responsible Care (ARxC)

AiArthritis

The Alliance for Integrity and Reform of 340B (AIR340B)

Autoimmune Association

Biomarker Collaborative

BlackDoctor.org

CancerCare

CHAIN - Consumer Health Advocacy & Information Network

Chronic Care Policy Alliance

Coalition of State Rheumatology Organizations (CSRO)

Color of Gastrointestinal Illnesses (COGI)

Community Access National Network (CANN)

Community Oncology Alliance (COA)

COA Patient Advocacy Network (CPAN)

The Council for Citizens Against Government Waste

Global Healthy Living Foundation (GHLF)

Exon 20 Group

ICAN, International Cancer Advocacy Network

Infusion Access Foundation (IAF)

League of United Latin American Citizens (LULAC)

MET Crusaders

National Hispanic Council on Aging (NHCOA)

National Hispanic Health Foundation (NHHF)

National Infusion Center Association (NICA)

Neuropathy Action Foundation

Patients Rising

PD-L1 Amplifieds

Society of Dermatology Physician Associates