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Dear Members of the New Hampshire Senate Health and Human Services Committee,

We, the undersigned patient advocacy and non-profit healthcare organizations, are reaching out to convey our serious concerns about the improper use of the 340B Drug Pricing Program and the proposed expansion of this program in New Hampshire as outlined in Senate Bill 253.

Initially created to assist safety-net providers in caring for our most at-risk patients, the 340B program has, in reality, transformed into a profit-making machine for large hospital systems. The program has wandered so far off its original intent that even the <u>New York Times</u> released a scathing report showing that many hospitals exploit 340B by purchasing prescription drugs at steep discounts and then marking up prices dramatically when billing patients and insurers. A recent report from the Minnesota Department of Health revealed that in 2023, 340B hospitals increased prescription drug prices by a staggering \$630 million.

In many cases, patients face crushing medical debt despite seeking care at institutions that were designed to serve the most vulnerable patient populations. Before expanding the program in New Hampshire, guardrails must be passed by Congress, including establishing more rigorous reporting standards to monitor the allocation of 340B revenue by hospitals, making certain that these funds are utilized for patient care instead of being funneled into hospital growth or executive compensation. Furthermore, hospital consolidation trends have shown that large hospital systems acquire smaller clinics and independent practices to expand their 340B market reach, restricting patient choices and enhancing their control over the market.

New Hampshire is not immune to these issues.

In the Granite State, hospitals involved in the 340B program are generating substantial profits relative to their contributions to charity care, while vulnerable patients continue to struggle with high healthcare expenses. SB 253 would only encourage hospital consolidation in New Hampshire by enforcing additional markup-friendly regulations in the state's existing 340B program and fast-tracking profit-driven hospital expansions, all while

avoiding the desperately needed patient safeguards. All of these concerns were highlighted in a recent op-ed published in the <u>Concord Monitor</u> earlier this month.

We encourage the committee to prioritize transparency, accountability, and genuine advantages for low-income and rural residents of New Hampshire rather than doubling down on a flawed system. Without these critical reforms, the exploitation of the 340B program will continue to drive up healthcare costs and exacerbate inequities, leaving our most vulnerable patients to bear the burden.

Thank you for your time and thoughtful consideration.

## Sincerely,

Aids Response Seacoast Arthritis Foundation New England Biomarker Collaborative Breathe New Hampshire Coalition of Hematology & Oncology Practices Coalition of State Rheumatology Organizations **Envisioning Access Epilepsy Foundation New England** Exon20 Group **Heart Brothers Foundation** Hispanic Business Alliance Infusion Access Foundation International Cancer Advocacy Network (ICAN) Lupus and Allied Diseases Association, Inc. Lupus Foundation New England **MET Crusaders** National Infusion Center Association (NICA) **Neuropathy Action Foundation** New England Rural Health Association **PDL1** Amplifieds