



Dear Michigan Legislator:

On behalf of 10+ patient and provider advocacy organizations, we are writing to our opposition to Senate Bill 94 and Senate Bill 95. While we appreciate the intent of this bill to improve healthcare access in Michigan, 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. Similar bills failed to advance in 2024 and these new iterations are equally concerning and do not do enough to ensure transparency in the program.

In Michigan, high healthcare costs create significant barriers to care, with 57% of adults facing affordability challenges. Over half delay or forgo treatments, including dental care, prescriptions, and medical tests, due to expenses. Additionally, 34% struggle with medical bills, leading to delayed care and worsening health outcomes. The fear of unaffordable future care affects 78% of residents, highlighting the urgent need for policy solutions to reduce financial burdens and improve healthcare access.

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 Michigan, the charity care rate (0.9%) falls below the national average (2.5%), while 340B earnings increased by 30% while charity care decreased by 25%.

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 Michigan.

Sincerely,

Biomarker Collaborative
 Coalition of Hematology and Oncology Practices
 Community Access National Network (CANN)
 Exon 20 Group
 H.E.A.L.S. of the South
 Infusion Access Foundation

ICAN - International Cancer Advocacy Network
 Lupus and Allied Diseases Association, Inc.
 MET Crusaders
 National Infusion Center Association
 Neuropathy Action Foundation
 PD-L1 Amplifieds