



## JOINT STATEMENT

### Louisiana House Bill 548 340B Drug Pricing Program



June 7, 2023

The Honorable John Bel Edwards  
Governor, State of Louisiana  
Office of the Governor  
900 North Third St.  
Baton Rouge, LA 70804-9004

Dear Governor Edwards:

On behalf of the Community Access National Network and the ADAP Advocacy Association, we sincerely appreciate the opportunity to provide public input regarding the recently passed legislation relative to the 340B Drug Pricing Program, Louisiana House Bill 548 ([LA HB548](#)). We write today urging you to veto LA HB548 because it poses very real risks to patients living in Louisiana by furthering an unmitigated lack of transparency in the 340B Discount Drug Program.

The Community Access National Network is a coalition-based, national nonprofit organization with a mission to define, promote, and improve access to healthcare services and supports for people living with HIV/AIDS and/or viral hepatitis through advocacy, education, and networking. The ADAP Advocacy Association is also a national nonprofit organization with a mission to promote and enhance the AIDS Drug Assistance Programs (ADAPs) and improve access to care for people living with HIV/AIDS.

The intent of the 340B program is “to enable entities to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.” By and large, Federal grantee entities meet these goals and are held accountable to them by way of grant requirements issued by the Health Resources and Services Administration (HRSA). However, non-grantee entities are not similarly held accountable to these goals, often lacking transparency as the statutory language itself does not prescribe the way those entities might be required to report their 340B revenues or uses of those revenues. Without transparency, accountability to these worthy and righteous goals is unattainable.

We urge you to pause any action on LA HB548 other than exercising your veto, and instead focus on improving transparency and oversight to the 340B Drug Pricing Program. LA HB548 would limit the ability of various stakeholders concerned with patient benefit of the program from being able to ensure the program is meeting its intended obligation.

This is particularly concerning when it comes to a variety of issues patients face when considering recent reporting from the *New York Times* entitled “[How Nonprofit Hospitals Put Profits Over Patients](#)” or last year’s piece, “[How a Hospital Chain Used a Poor Neighborhood to Turn Huge Profits](#)”, describing how Bon Secours Mercy Health siphoned 340B dollars away from needy patients. Indeed, a 2022 [report](#) from IQVIA found just 1.4% of discount savings were shared with patients and other [research](#) has shown that much of 340B discounts have been used to boost hospitals’ bottom lines, not patients, particularly with regard to [reduced charity care rates and increased medical debt or even outright denial of care to patients](#).

This “boost to bottom line” has empowered hospitals to consolidate at the expense of patient access to care, in such a sufficiently alarming fashion the Federal Trade Commission (FTC) is intervening in LCMC’s acquisition of three HCA Healthcare facilities in New Orleans. Recent [reporting](#) identifies that a driving factor in LCMC’s proposal to close Tulane Medical Center after acquisition is so that one of LCMC’s other facilities may begin qualifying under the 340B program. What’s not been ascertained is how much of the acquisition was funded by 340B dollars – and it won’t be without intervention. A 2022 [paper](#) from the FTC identifies this kind of consolidation as bad for patients and leads to higher prices, worse care, and lower pay for employees. Particularly, we are concerned about the intersection of lack of 340B transparency and consolidation may be leading to higher rates of medical debt among Louisianans.

An Urban Institute [analysis](#) of 2022 data found that Louisianans face medical debt at a rate of 5% higher than the rest of the country – for Black Louisianans the rate was 9% higher than the nation’s medical debt average. Medical debt drives patients to avoid care they otherwise need and, in many situations, can and does have a negative impact on the entire economic health of a person and their families.

According to the [Journal of the American Medical Association](#), 340B contract pharmacy growth is happening primarily in wealthy white neighborhoods, while the share of 340B pharmacies in Black and Latino communities has been on the decline. [Health Affairs](#) has reported only 1 in 4 pharmacies in Black and Latino neighborhoods participated in the 340B program in 2015. These neighborhoods often have limited or no access to pharmacies and are known as “pharmacy deserts.”

In 2014 the late Senator Orrin Hatch, who helped to draft the authorizing legislation for 340B, stated that it’s “unacceptable that inconsistent, lax oversight has allowed the 340B program to be gamed – jeopardizing its core mission of helping low-income Americans.”

For these reasons, we agree – 340B desperately needs transparency and accountability to ensure the program adequately serves the patients it was intended to serve. LA HB548 works against transparency, patient interests, and the intent of the program.

Please, veto LA HB548 when it comes to your desk.

Respectfully submitted by,



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President & CEO  
Community Access National Network



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CEO  
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