



May 5, 2025

Rhode Island General Assembly
House Health and Human Services Committee
82 Smith Street,
Providence, RI 02903

Mailing Address:

Attn: Jen Laws
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Sent Via Electronic Mail

RE: S0114-OPPOSE

Chief Executive Officer:

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Dear Honorable Chairwoman Donovan, First Vice Chair Giraldo, Second Vice Chair Potter, Members of the Rhode Island House Health and Human Services Committee, and your well respected staff,

Board of Directors:

Darnell Lewis, Chair
Riley Johnson, Secretary
Dusty Garner, Treasurer

Today, we respectfully write in **OPPOSITION** to **S0114**, which as written seeks to expand 340B contract pharmacy arrangements in Rhode Island without adequate oversight and accountability to ensure the program appropriately serves patients, particularly those living with HIV and other chronic health conditions.

Michelle Anderson
Hon. Donna Christensen, MD
Kathie Hiers
Kim Molnar
Judith Montenegro
Amanda Pratter
Trelvis D. Randolph, Esq
Cindy Snyder

The Community Access National Network (CANN) is a 501(c)(3) national nonprofit organization focusing on public policy issues relating to HIV/AIDS and viral hepatitis. CANN's mission is to define, promote, and improve access to healthcare services and support for people living with HIV/AIDS and/or viral hepatitis through advocacy, education, and networking.

Director Emeritus:

William E. Arnold (*in Memoriam*)
Jeff Coudriet (*in Memoriam*)
Hon. Maurice Hinchey, MC (*in Memoriam*)
Gary R. Rose, JD (*in Memoriam*)

While CANN is primarily focused on policy matters affecting access to care for people living with and affected by HIV, we stand in firm support of all people living with chronic and rare diseases and recognize the very reality of those living with multiple health conditions and the necessity of timely, personalized care for every one of those health conditions. The 340B Drug Pricing Program is of profound importance to our community.

National Programs:

340B Action Center
PDAB Action Center
Transgender Leadership in HIV Advocacy
HIV/HCV Co-infection Watch

S0114 undermines the well-recognized need for reform to align 340B with its original intent because the bill seeks an avenue to [expand 340B contract pharmacy arrangements without limitation](#) – particularly, limitations necessary to ensure proper transparency, accountability, and ensure patients benefit from reduced acquisition costs. This is precisely why the former Governor of neighboring Vermont, [Howard Dean, opposes similarly situated legislation](#) there. It's why Reverend Carmen Hernandez, founding president of NYC LGBTQS Chamber of Commerce, [opposes similarly situated legislation](#) in New York. These names of note represent patient interests above exploitive efforts from chain pharmacies and hospitals. Legislators in Rhode Island should too.

National Groups:

Hepatitis Education, Advocacy & Leadership (HEAL) Group
Industry Advisory Group (IAG)
National ADAP Working Group (NAWG)

Abuse is rampant in the 340B Drug Pricing Program, as has been outlined in a [recent report from Chairman Bill Cassidy of the Senate Health, Education, Labor and Pensions Committee](#) (HELP) which requested a comprehensive understanding of where the dollars

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generated by this program flow and how such revenue benefits patients. The information gathering included letters requesting information and data from hospital covered entities, health centers, large for-profit chain pharmacies, and pharmaceutical manufacturers.

Based on written responses and the accompanying documents produced pursuant to Chairman Cassidy's investigation, BSMH and Cleveland Clinic each generated hundreds of millions of dollars in 340B savings and revenue from the 340B Program between 2018 and 2023. In responses to Chairman Cassidy's letter, both BSMH and Cleveland Clinic explained that it "does not directly pass on all savings generated from the 340B Program to patients in the form of savings on health care expenses."

[340B has been the primary driver behind contract pharmacy expansion.](#) Many community, and rural pharmacies are unable to secure contracts with covered entities favoring large entities, leading to pharmacy consolidation often to wealthier communities and away from disadvantaged and impoverished communities that 340B was enacted to serve.. Expanding contract pharmacies under the 340B program isn't about patients, it's about adding more hands to the 340B cookie jar, at the expense of patients. In CVS's response to Senator Cassidy they raked in more than 350 million in TPA fees, highlighting the need for accountability and transparency.

Overall, the agreements between the contract pharmacies, TPAs, and covered entities reflect a proliferation of fees across various services and settings. With multiple for-profit entities receiving substantial financial benefits, the incentives are aligned to exert more payment pressure on covered entities, thereby diverting resources from the 340B Program's intended purpose of allowing covered entities to stretch scarce federal resources as far as possible.

Chairman Cassidy's investigation underscores that there are transparency and oversight concerns that prevent 340B discounts from translating to better access or lower costs for patients. Congress needs to act to bring much-needed reform to the 340B Program to ensure this federal program works as intended.

To be clear, CANN supports a strong 340B program. When 340B operates the way it is intended, safety-net providers thrive, and vulnerable communities, and families gain access to healthcare they might otherwise not have. CANN welcomes discussion on instituting appropriate guardrails into legislation that would serve to strengthen the program, shield good stewards, and hold accountable bad actors within the appropriate limitations of state powers associated with this federal program.

We would be happy to discuss this legislation or any other matters of public health, please feel free to reach out by email or phone at kalvin@tiican.org, 913-954-8816, or jen@tiicann.org, 313-333-8534.

Respectfully submitted,



Sincerely,
Calvin Pugh
Director of State Policy, 340B
Community Access National Network (CANN)

On behalf of
Jen Laws
President & CEO
Community Access National Network