



April 2, 2025

Oregon State Legislature  
Senate Committee On Health Care  
900 Court St. NE,  
Salem Oregon 97301

**Mailing Address:**

Attn: Jen Laws  
PO Box 3009  
Slidell, LA 70459

**Chief Executive Officer:**

Jen Laws  
Phone: (313) 333-8534  
Fax: (646) 786-3825  
Email: [jen@tiicann.org](mailto:jen@tiicann.org)

**Board of Directors:**

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

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

**Director Emeritus:**

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

**National Programs:**

340B Action Center  
PDAB Action Center  
Transgender Leadership in HIV Advocacy

HIV/HCV Co-infection Watch

**National Groups:**

Hepatitis Education, Advocacy & Leadership  
(HEAL) Group

Industry Advisory Group (IAG)

National ADAP Working Group (NAWG)

Via electronic mail

**RE: SB 533**

Dear Honorable Chairwoman Patterson, Vice Chair Hayden, Members of the Oregon Senate Committee On Health Care, and your respected staff,

The Community Access National Network (CANN) writes in **OPPOSITION** to **SB 533**, which would expand the federal 340B Drug Pricing Program in Oregon without sufficient oversight to ensure the program appropriately serves patients, particularly those living with HIV and other chronic health conditions.

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.

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.

SB 533 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 and accountability.

[The primary harm of contract pharmacies in the 340B program](#) is that they can divert profits intended for low-income patients by allowing large, for-profit retail pharmacies to capitalize on discounted drug prices, potentially leading to less money being reinvested in patient care and a lack of transparency regarding how the savings are being used; this can be considered an abuse of a program designed to help vulnerable populations access affordable medications. Larger 340B hospitals often establish in-house specialty pharmacies or exclusive partnerships with contract pharmacies, further consolidating their control over drug distribution and patient care pathways.

Hospitals that qualify for 340B status can purchase outpatient drugs at significant discounts and then get reimbursed at standard rates, often leading to substantial profit margins. Without adequate transparency and accountability [this incentivizes hospitals to acquire physician practices, specialty clinics, and smaller hospitals](#) and convert them into hospital outpatient departments (HOPDs). This allows them to extend 340B pricing to a broader range of outpatient services, increasing their revenue while reducing competition from independent providers.

**RE: SB 533**  
**April 2, 2025**  
**Page Two**

340B expansion would certainly be attractive to the ever growing private equity control of large health systems, [highlighting the growing corporatization of the U.S. healthcare system](#). Private equity firms, prioritizing quick profits, often neglect patient care and safety. This raises concerns about the impact of profit-driven healthcare on patient well-being and the need for a reevaluation of healthcare priorities.

Private equity-owned hospitals, driven by profit motives, often cut staffing and increase charges, potentially impacting patient care quality. While some argue for the potential benefits of private equity in healthcare, evidence suggests these investments often prioritize profit over patient well-being.

Sagebrush Health Services, a healthcare provider based in Nevada, recently encountered substantial consequences for its involvement in the 340B Drug Pricing Program. [The Health Resources and Services Administration \(HRSA\) terminated the participation](#) of 20 of Sagebrush's sites in the program. HRSA's decision was based on a thorough review of documentation provided by Sagebrush and information from the Centers for Disease Control and Prevention (CDC), as well as health departments in Connecticut and Nevada. The agency found that certain Sagebrush sites did not meet the criteria to participate as Sexually Transmitted Diseases (STD) covered entities under section 340B(a)(4)(K) of the Public Health Service Act.

One common claim made to legislators is that providers, pharmacists, and/or payors are unaware of the value of a 340B discount, preventing them from applying these savings to patients' out-of-pocket costs. However, this claim is false. Many 340B entities employ "third-party-administrators" (TPAs). These TPAs are often vertically integrated with pharmacy benefit managers (PBMs) and retail pharmacies (see: contract pharmacies). TPAs provide electronic medical record systems integrations, allowing providers to know the approximate or exact value of 340B revenue a specific medication will generate while seeing a patient—before the patient even reaches a pharmacy counter. In fact, many TPAs advertise services to "maximize" 340B revenue capture and encourage patient steering in favor of the entity, regardless of the patient's ability to afford the medication.

Attached to this letter are screenshot advertisements showcasing the capabilities of a third-party administrator (LinkedIn, Maxor employee).

[A recent policy brief highlighted the issue of duplicate discounts](#) associated with the 340B program. Statutorily prohibited, duplicate discounts are a persistent problem. The brief emphasizes the need for more comprehensive data collection to provide adequate oversight and prevent illegal duplicate discounts.

[In March, the Wall Street Journal reported a novel form of program abuse](#) involving the diversion of 340B savings revenue away from needy patients to gainfully employed individuals. The article detailed several entities selling pharmacy-benefit services that funnel employees to 340B hospital pharmacies instead of local drugstores. Under these plans, employees receive the discounted 340B price. Hospitals participate in these arrangements to expand their customer base and receive fees for dispensing prescriptions, as stated by the companies involved. Gainfully employed individuals are now receiving the discounts intended for the venerable communities the 340B program was meant to serve.

There is ever growing evidence that manufacturer mandates add unnecessary burden to already strained state budgets as outlined by the [North Carolina treasurer's report](#), and in the case of Tennessee, adding \$7,452,700 to state expenditures as outlined by the fiscal note on the state's manufacturer mandate bills [HB 1242 & SB 1414](#).

**RE: SB 533**  
**April 2, 2025**  
**Page Three**

Unchecked, the 340B has encouraged consolidation, community pharmacy closures, harms rural access, and in an extraordinary example of abuse, been [the driving financing force in mismanaged housing programs that have left patients dead](#).

To be clear, CANN supports a strong 340B program. When 340B operates the way it is intended, safety-net providers thrive and vulnerable communities, families, and individuals 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](mailto:kalvin@tiican.org) , 913-954-8816, or [jen@tiicann.org](mailto: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



### Next Level 340B

1 follower  
11h · 🌐

+ Follow

Managing a 340B program is a constant balancing act—staying compliant with ever-evolving regulations while making sure the program delivers real value. Too often, organizations focus on one and overlook the other, either leaving money on the table or exposing themselves to compliance risks.

At Next Level 340B, we believe a strong program does both. With the right strategy—refining processes, leveraging referral capture, and staying audit-ready—healthcare organizations can maximize their 340B potential without sacrificing compliance.

If you're wondering whether your program is operating at its full potential, we can help.

Let's take your 340B strategy to the next level.

Learn more: <https://lnkd.in/gedS5wEg>

#340B #HealthcareCompliance #RevenueOptimization #HospitalLeadership #ReferralCapture #HealthcareFinance



### Marcus Howard, CRCR · 3rd+

Business Development Associate at ProxsysRx  
4h · 🌐

+ Follow

Unlike traditional PBMs that collect hefty rebates from drug manufacturers, the Maxor+ PBM operates on a nominal administrative fee per prescription — ensuring full financial transparency and cost efficiency on every 340B prescription dispensed.

By partnering with ProxsysRx / Maxor, hospitals can decide — on a per-prescription basis — whether to leverage the reduced pricing we offer, or the discounted 340B rates available to them; ensuring maximum financial benefit for the hospital, while maintaining complete transparency on medication costs.

To learn how we can help your health system, contact Howard Hall. [howard.hall@proxsysrx.com](mailto:howard.hall@proxsysrx.com) | 214.808.2700

#Healthcare #Mission #Pharmacy #WhatInspiresMe

