



May 30, 2025

Illinois General Assembly
House Executive Committee
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Sent Via Electronic Mail

RE: HB 2371 - SFA 2 - OPPOSE

Dear Honorable Chairwoman Williams, Vice Chair Rita, Minority Spokesperson Spain, Members of the Illinois House Executive Committee, and your well respected staff,

Today, we respectfully write in **OPPOSITION** to **HB 2371 - SFA 2**, which as written seeks to expand 340B contract pharmacy arrangements in Illinois without adequate oversight and accountability 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.

HB 2371 - SFA 2 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.

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 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.

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HB 2371 - SFA 2 Undermines the State's Efforts at PBM Reform

Community and rural pharmacies often are unable to secure contracts with large hospital systems who favor for-profit chains, with [71% of contract pharmacies owned](#) by PBMs and [Walgreens now owned by a private equity group](#), this leads to pharmacy consolidation away from the impoverished communities 340B was meant to serve. Prohibiting any meaningful oversight of these contracts under an unlimited expansion paradigm as SB 2385 does, does not benefit patients, it only serves the margin motivations of Pharmacy Benefit Managers (PBMs) and their wholly-owned pharmacies.

This design, represented as “vertical integration” (but in all honesty is self-dealing), operates as a means of extracting value from the 340B away from patients, something Governor Pritzker has, [himself called out](#), driving up costs, killing competition, and, within the frame of the 340B program, taking needed monetary value away from patients. Legislators in this body would do well to think carefully about the implications of such interconnected systems and question how this proposed legislation actually serves patients, not PBMs. For the cheat sheet, the answer is “it doesn’t”.

HB 2371 - SFA 2 stands at odds with current federal movement in the 340B program. Medicaid eligible providers may bill Medicaid claims as 340B, this creates a revenue shift in terms of rebates reinvestment opportunities. Every time a provider submits a Medicaid eligible claim as 340B, instead, [the STATE loses out the Medicaid Drug Rebate Program reinvestment](#). With federal changes to the Medicaid program looming, has the state considered what diverting from Medicaid for the purposes of 340B profiteering will mean for patients and solvency of the Medicaid program as it stands today?

Will an identifying claims modifier constitute "discrimination"? [Proposed federal guidance on IRA implementation released May 12, 2025](#) suggests lack of a claims modifier will allow manufacturers to opt for a "retrospective" reimbursement model. This interpretation would put Illinois law in opposition to federal regulation. A fiscal note is necessary because of this.)

The policy notice proposed as “prevention of duplicate discounts” is vague and does not allow for any private right of action to ensure these policies are either sufficient or implemented. What recourse do patients have if we are not seeing benefits of the program and entities are not adhering to their own policies?

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@tiicann.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