



April 8, 2025

Texas State Legislature  
House Committee on Insurance  
1100 Congress Ave.  
Austin, TX 78701

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**National Groups:**

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

Sent Via Electronic Mail

**RE: HB 3265**

Dear Honorable Chairman Dean, Vice Chair Vo, Members of the Texas House Committee on Insurance, and your respected staff,

The Community Access National Network writes today respectfully in **OPPOSITION** to **HB 3265**, which would expand the federal 340B Drug Pricing Program in Texas 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.

On May 28th, 2024 the “340B Affording Care for Communities and Ensuring a Strong Safety-net Act” or “340B ACCESS Act” was unveiled in the United States House of Representatives. The bill represents a careful negotiation between a variety of stakeholders affected by the 340B program, including but not limited to the National Association of Community Health Centers, a trade organization representing pharmaceutical manufacturers, and several patient advocacy organizations. CANN is proud to count ourselves among the members working to find consensus on reforming the 340B drug discount program.

**HB 3265 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.

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[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, reducing competition, *leading to pharmacy consolidation* often to wealthier communities and away from disadvantaged and impoverished communities, exacerbating the growing patient access issue. Directly, 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.

[Studies have found that 340B creates incentives for provider consolidation](#), and larger 340B hospitals were responsible for roughly 80% of hospital acquisitions between 2016 and 2022. This consolidation creates powerful, large hospital systems that raise costs for patients while reducing quality of care, and resulting in rural healthcare deserts.

Hospitals are the largest and fastest growing contributor to health care costs. In 2019, hospital care is projected to total \$1.25 trillion and represent nearly a third of health care spending; this number is expected to increase to nearly \$2 trillion by 2027. Much of this growth is due to rapid consolidation in the provider market over the past decade as hospitals buy up physician practices and clinics, resulting in higher healthcare costs for taxpayers, and state health plans

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](#).

If this body seeks to positively impact patient access to care, priority on [PBM reform is a must](#). PBM reform, not unchecked 340B expansion, speaks most directly to patient concerns regarding pharmacy access, benefit design, and medication affordability.

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)

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

