



September 23, 2025

Kansas State Legislature  
2025 Special Committee on Pharmaceutical Studies  
300 SW 10th Avenue  
Topeka KS 66612-1504

**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  
Michelle Anderson, Secretary  
Dusty Garner, Treasurer  
  
Hon. Donna Christensen, MD  
Kathie Hiers  
Riley Johnson  
Patrick Ingram, MHSA  
Kim Molnar  
Judith Montenegro  
Amanda Prattler  
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)

Sent Via Electronic Mail

**RE: Special Committee on Pharmaceutical Studies**

Dear Honorable Members of the Kansas 2025 Special Committee on  
Pharmaceutical Studies,

Community Access National Network respectfully writes urging caution on any  
state-level action regarding the federal 340B drug pricing program.

**ABOUT CANN:** The Community Access National Network (CANN) is a  
501(c)(3) national nonprofit organization (formerly incorporated under the "Ryan  
White CARE Act Title II Community AIDS National Network") 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 supports for  
people living with HIV/AIDS and/or viral hepatitis through advocacy, education,  
and networking. CANN's coalition-based work is done on behalf of the patient  
advocacy groups, pharmaceutical partners, and government agencies.

**Numerous Reports Highlight 340B's Problems**

The flaws in the current state of the 340B program are well documented. In the  
recent [Congressional Budget Office \(CBO\) report](#), the agency identified how the  
program incentivized behavior such as hospital and clinic consolidation that has  
led to the rapid growth of the program, and its impact on federal (and state)  
budgets.

Abuse is rampant in the 340B 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. The findings highlight the  
proliferation of fees across the health ecosystem diverting the intended purpose of

**RE: Special Committee on Pharmaceutical Studies**  
**September 22, 2025**  
**Page Two**

340B “to reach more eligible patients, and provide more comprehensive services.” to benefit large health systems, large for-profit chain pharmacies, Pharmacy Benefit Managers (PBMs), Third Party Administrators (TPAs), and calls for reform at the federal level.

**340B Threatens Medicaid Sustainability**

In April 2025, researchers [published an issue brief](#) on the potential impact to state Medicaid programs from state contract pharmacy mandates in the 340B Drug Pricing Program such mandates would cost Medicaid \$1.2 billion more annually, of which \$437 million would impact state budgets directly and the 340B program’s broader current fiscal impact related to Medicaid.

Importantly, a July 2025 [analysis](#) assessed how much each state loses in Medicaid Rebates due to providers opting to bill claims under the 340B program rather than Medicaid. For Kansas, that realized loss is about \$10,680,000. The specific impact here means that Kansas actively lost more than \$10 million in re-investable Medicaid rebates which would otherwise have contributed to the state’s mandated “share” of Medicaid payments.

Taken as a whole, directly, 340B without guardrails, which is what is being suggested by state legislatures, drives up costs to patients and states and reduces available reinvestments for state Medicaid programs, which might otherwise be used to offset the program’s budgetary impact.

**Recent State-level Legislation Conflicts with Federal Actions**

These reports are not the only federal movement to reform the 340B program, the Health and Human Services Administration (HRSA) recently released a proposed rebate model pilot, the Centers for Medicare and Medicaid Services (CMS) [draft guidance on the interactions of Inflation Reduction Act’s drug price negotiations with the 340B drug pricing program](#), the introduction of the [340B Affording Care for Communities and Ensuring a Strong Safety-Net Act \(340B ACCESS Act\)](#), and federal rule-making occurring at present.

Specifically, the draft guidance related to the IRA’s interaction with 340B allows pharmaceutical manufacturers to delay payment for a medication for up to 14 days when a claims modifier is not present. Many state proposals seek to explicitly prohibit the use of claims modifiers, a gold standard in claims validation, for a yet inexplicable reason. In June, CANN published a [blog](#) which highlights the functional problems related to state legislative behaviors that summarizes the issue. It is also worth noting that the ACCESS act will specifically prohibit the types of state-based legislation being discussed today.

Kansas legislators must uphold their commitment to patients, rural hospitals, and state contributions to Medicaid. Undermining these efforts would jeopardize the program’s sustainability and invite future litigation. State-level action on this federal program is misguided and ill-timed, especially in light of current and anticipated federal action.

To be clear, CANN supports a robust 340B program. When the program operates as intended, it strengthens the delicate healthcare safety net, ensuring that families, individuals, and communities have access to essential care and services.

**RE: Special Committee on Pharmaceutical Studies**  
**September 22, 2025**  
**Page Three**

Should any member of the committee have further questions regarding this topic, or any other matter of public health, I can be reached by phone at 913.954.8816, or email [kalvin@tiicann.org](mailto:kalvin@tiicann.org).

Warmly in service,

A handwritten signature in black ink that reads "Calvin Pugh". The signature is written in a cursive, flowing style.

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

----

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