



April 28, 2025

Colorado General Assembly
House Health and Human Services Committee
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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 124 - SUPPORT

Dear Honorable Chairman Brown, Vice Chair Lieder, Members of the Colorado House Health and Human Services Committee, and your respected staff,

The Community Access National Network writes today respectfully in SUPPORT to **SB 124**, which would support the original intent of the federal 340B Drug Pricing Program in Colorado by providing 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 124 supports the well recognized need for transparency and accountability for hospitals utilizing the 340B drug pricing program, by instituting prohibited uses of 340B revenue, and creating parity in reporting that grantees such as the Federally Qualified Health Centers, and the Ryan White AIDS Drug assistance are already required by HRSA to do.

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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“Revenue is revenue.” Or How Entities Can and *Do* Avoid Responsibility to Use 340B Revenue to Serve Patients

In Bon Secours Mercy Health (BSMH) response to Senator Bill Cassidy’s request for information when asked how 340B revenues were used (ie. exec compensation, patient benefit, and charity care), their response was "we don't segregate revenue. revenue is revenue."

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.”

Chairman Cassidy’s report calls for the need to provide clear guidelines to ensure that manufacturer discounts actually benefit 340B-eligible patients, including examining legislative changes to the definition of eligible patient and contract pharmacies’ use of the inventory replenishment model.

By requiring increased reporting and transparency measures, **SB 124** will help guarantee that patients directly benefit from the program’s cost reductions. This legislation will strengthen the integrity of the 340B program while fostering public trust and ensuring that resources are directed toward expanding access to essential healthcare services.

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, **SB 124** as written, supports that reform, ensuring patients benefit from this federal program that intended to reach more patients, and provide more comprehensive services.

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 within the appropriate limitations of state powers associated with this federal program.

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