



FOR IMMEDIATE RELEASE

March 20, 2024

CONTACT:

Info@340Breform.org

Minnesota Legislation Would Facilitate Unrestricted Contract Pharmacy Growth Without 340B Accountability

Saint Paul, MN – The Alliance for Integrity and Reform of 340B (AIR340B) issued the following statement regarding Minnesota House File 4991 (HF 4991), a bill that would aid in the unchecked growth of for-profit contract pharmacies in 340B:

“HF 4991 would allow for continued, unrestrained growth of contract pharmacies in 340B that contributes to massive bloat in the program. This legislation allows large chain pharmacies and PBMs to line their pockets with 340B dollars that should be helping Minnesota patients that need care most.

“Huge pharmacy chains and pharmacy benefit managers (PBMs) like CVS, Walgreens, Walmart, Cigna, and UnitedHealth – five companies that control 75% of contract pharmacy relationships – are able to capture billions in 340B profit - money intended to help patients in need. Today, more than half the entire U.S. pharmacy industry acts as 340B contract pharmacies. In Minnesota, hospitals have over 2,000 contracts with pharmacies in entirely different states. The original intent of the federal safety net program was to lower patient costs and increase charity care in underserved areas to ensure the most vulnerable patients receive needed care. In Minnesota, however, a staggering 81% of 340B hospitals provide levels of charity care to patients *below* the national average.

“The number of 340B contract pharmacies has exploded, but there are no necessary safeguards to ensure transparency and accountability for bad actors abusing the program. HF 4991 will only

continue to allow PBMs and large, out-of-state chain pharmacies to siphon funds away from the patients who need them.

“Visit www.340Breform.org to learn more about how the 340B program should serve patients, not pharmacies.”

###

The Alliance for Integrity and Reform of 340B (AIR340B) is a coalition of patient advocacy groups, clinical care providers, and biopharmaceutical innovators dedicated to reforming and strengthening the 340B program to ensure it directly supports access to outpatient prescription medicines for uninsured indigent patients. www.340Breform.org.