

November 16, 2021

California Office of the Attorney General
Attorney General Rob Bonta
1300 "I" Street
Sacramento, CA 95814

Re: Ensuring 340B Drug Pricing Program Works for Vulnerable California Patients

Dear Attorney General Bonta:

On behalf of the Infusion Access Foundation (IAF), I am writing you today to ask for **your support and commitment to ensure that the federal 340B Drug Pricing Program works effectively to help low-income and uninsured Californians**. IAF is a national nonprofit advocacy group working tirelessly to ensure patients have access to provider-administered therapy for any and all complex illnesses. Many patients in California – including those with hard-to-treat conditions such as cancer, HIV, and autoimmune disease – rely on 340B charity care to access affordable treatment to manage their health. But nearly three decades after the program was enacted, the 340B program severely lacks the oversight and transparency needed to ensure it is meeting its intent to help these patients afford the treatments and care they need.

IAF urges the Office of the Attorney General of California to use its authority to bring more attention and transparency to 340B activities to improve patient access, equity, and health outcomes for those deserving Californians who may otherwise fall through the cracks in our healthcare system.

The 340B Drug Pricing Program was intended to help low-income and uninsured patients access the care they need by giving prescription drug discounts to qualifying hospitals and healthcare entities under the condition that those savings will be used to help more of these indigent patients. **However, evidence increasingly suggests that some facilities are using the 340B program to increase their profits rather than to help those patients in need.**

- **Between 2012 and 2019, the 340B program grew nationally by more than 400%.¹** The explosive growth in 340B can be attributed to lenient guidelines, immense variation in how sites nationwide interpret and navigate the program, and limited transparency.

¹ Drug Channels. "[New HRSA Data: 340B Program Reached \\$29.9 Billion in 2019; Now Over 8% of Drug Sales.](#)" June 2020.

- **Only 24% of 340B hospitals provide 80% of the total charity care that all 340B hospitals and clinics provide.**² Charity care represents just 1% or less of the total patient-care costs for one in four 340B hospitals or clinics.
- **A significant number of qualifying 340B hospitals overcharge uninsured patients for prescription drugs.**³ A 2021 study found that some 340B hospitals charge uninsured individuals up to 3.8 times the price the hospitals paid for the drugs.

Absent any legal or regulatory obligation to pass savings on to patients, 340B-eligible hospitals and clinics are gaming the program and further deepening health inequities that persist in California. This program mismanagement should concern patients, policymakers, and all California taxpayers.

IAF understands how important this issue is to Californians. We understand that over 6,300 Californians have called on the Office of the Attorney General of California to bring greater transparency to the 340B program to ensure it is working for patients.

We urge you to answer your constituents' call to action. Without proper accountability, Californians already suffering health care discrimination and barriers to care will continue to be left behind.

Thank you in advance for your commitment to California patients and for your leadership on this critical issue.

Sincerely,



Brian Nyquist
Executive Director
Infusion Access Foundation (IAF)

² Alliance for Integrity and Reform of 340B (AIR 340B). "[Benefiting Hospitals, Not Patients: An Analysis of Charity Care Provided by Hospitals Enrolled in the 340B Discount Program.](#)" May 2016.

³ Community Oncology Alliance (COA). "[Examining Hospital Price Transparency, Drug Profits, and the 340B Program.](#)" September 2021.