

Tigerlily Foundation Statement in Opposition to the 340B PATIENTS Act



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Tigerlily Foundation stands firmly in support of the original intent of the 340B program: to ensure vulnerable patients—particularly Black and Brown women facing cancer and systemic barriers to care—can access affordable life-saving medications and critical support services. However, we oppose the 340B PATIENTS Act, which would codify contract pharmacy expansion without essential guardrails to prevent the ongoing misuse and abuse of the 340B program. The current system has strayed far from its mission, allowing 340B entities and middlemen to profit while patients struggle with unaffordable costs and dwindling charity care.

The data paints a damning picture of systemic misuse nationwide:

- **Patients pay more:** Hospitals routinely markup discounted 340B drugs by **up to 7x** (*New York Times investigation, 2024*), while **over 60% of 340B hospitals** provide charity care below the national average (*GAO, 2023*).
- **Communities lose out:** Only **25% of contract pharmacies** are located in medically underserved areas (*340B Reform Initiative, 2023*), with the majority concentrated in higher-income neighborhoods.
- **Profits over people:** For-profit middlemen draw **\$5–6 billion annually** from 340B (*PhRMA, 2025*), while independent safety-net clinics- critical for cancer patients- face closure due to unfair competition.

Key findings confirm this crisis extends across the entire program:

- **\$1.8 billion per year** in added healthcare costs for employers due to 340B abuse (*IQVIA, 2025*)
- **340B drug purchases grew 24% annually** (2015-2021) while charity care declined (*MedPAC, 2022*)
- **71% of contract pharmacy arrangements** are with just three PBM-affiliated chains (*340B Health, 2024*)

While we applaud policymakers' desire to create better access to medications for vulnerable patients, we must not—and cannot—continue to turn a blind eye to the rampant misuse and abuse of this program while expanding it without critical protections. Every day that passes without reform is another day patients suffer—denied the affordable life-saving medications they were promised, while middlemen profit off their hardship. This is not just policy failure; it is moral failure. The 340B program was created to uplift vulnerable patients, not to line the pockets of middlemen siphoning resources from those very communities. Expansion must be paused until these injustices are fixed—patients' lives depend on it.

Before any further growth, Congress must enact reforms that prioritize transparency, accountability, and patient-centered reinvestment. We call on policymakers for:

1. **Mandatory reporting** of how 340B savings are used to lower patient costs or fund charity care;
2. **Strict oversight** to prevent diversion and ensure discounts or support services reach patients;
3. **Patient feedback mechanisms** to center marginalized voices in program design.

The 340B program must be fixed before it is expanded. Until then, we urge lawmakers to reject the 340B PATIENTS Act and instead advance reforms that put patients—not profits—first.

Sources:

1. New York Times (2024)- Hospital markups
2. Government Accountability Office (2023)- Charity care data
3. 340B Reform Initiative (2023)- Pharmacy locations
4. PhRMA (2025)- Middlemen profits
5. IQVIA (2025)- Employer costs
6. Medicare Payment Advisory Commission (2022)- Purchase growth
7. 340B Health (2024)- PBM dominance