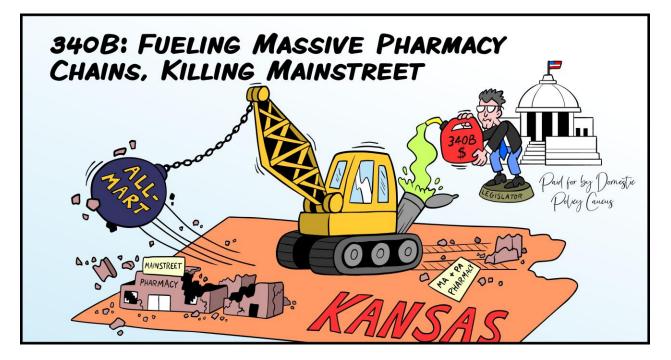


Domestic Policy Caucus Testimony Opposing SB 284 – Senate Finance Committee March 17, 2025



Dear Senators:

On behalf of the Domestic Policy Caucus, I am writing to express our opposition to the expansion of 340B, as contained in SB 284.

If they were made aware of it, most Kansans probably would find it baffling that their state legislators are considering the expansion of a massive federal healthcare mandate. It's troubling that this happened with little discussion about the impact of the policy on Kansans' actual ability to have their medical needs satisfied.

The law was meant to help low-income people afford their medicines. Unfortunately, "The financial benefits of the 340B discounts are accruing almost entirely to hospitals, clinics, and physicians; and patients' out-of-pocket costs and total cost of care are being increased," according to a 2013 JAMA article. Indeed, the profit has become a major revenue source for some providers.

What's more is that SB 284 would hand over even more economic power to massive, national chain pharmacies that have driven so many local, mom-and-pop pharmacies out of business over the past several years. Haven't the likes of Walmart and Walgreens done enough to harm main streets across Kansas?

SB 284 would create an economic environment in which incentives would be put in place to



encourage even more consolidation of healthcare systems, to put healthcare farther out of reach of rural Kansans, and to imperil the ability of underserved Kansans to receive the medications they need, all while lining the pockets of big healthcare systems and giant chain pharmacies. Meanwhile, it would do nothing to reduce healthcare costs, which is what everyone really wants.

As you know, pharmacies are essential to the communities they serve. But in Kansas and throughout America, rural independent drugstores are struggling.

In a <u>2022 policy brief</u>, the Rural Policy Research Institute reported this troubling fact: The number of independently owned retail pharmacies declined by 16 percent in the United States between 2003 and 2021. <u>According to NPR-Wichita</u>, that has contributed to the appearance of what are called "pharmacy deserts"—areas where residents must drive more than 15 minutes to a drugstore. In fact, according to a 2021 report issued by Good Rx called <u>"Mapping Healthcare</u> <u>Deserts,"</u> Kansas is among four states with the most counties having insufficient access to a drugstore. SB 284 would exacerbate the problem.

Disparities in access to care and health outcomes for rural, underserved, and minority populations have long been significant issues. Any policy that could further restrict the availability of medicines to these populations—or force them to travel farther to obtain them—needs to take the issue of health equity into consideration.

Making a well-intentioned but flawed program bigger is not the answer. The 340B program should be fixed before there's any discussion about expanding it. You should provide oversight to hold covered entities responsible for delivering on 340B's stated purpose. Simply defining who is a 340B patient and ensuring the money flows to those eligible patients—instead of big box pharmacies and hospital systems—is a commonsense first step.

The bottom line: There should be much more discussion, analysis, and debate before determining whether to head down this uncertain and troubling healthcare policy path.

Don't be like the legislator in our cartoon: Please oppose the expansion of 340B in Kansas. Vote "no" on SB 284.

Thank you,

Kent Kn.

Kent Kaiser, Ph.D. Secretary/Treasurer Domestic Policy Caucus 651-338-1777 www.domesticpolicycaucus.com