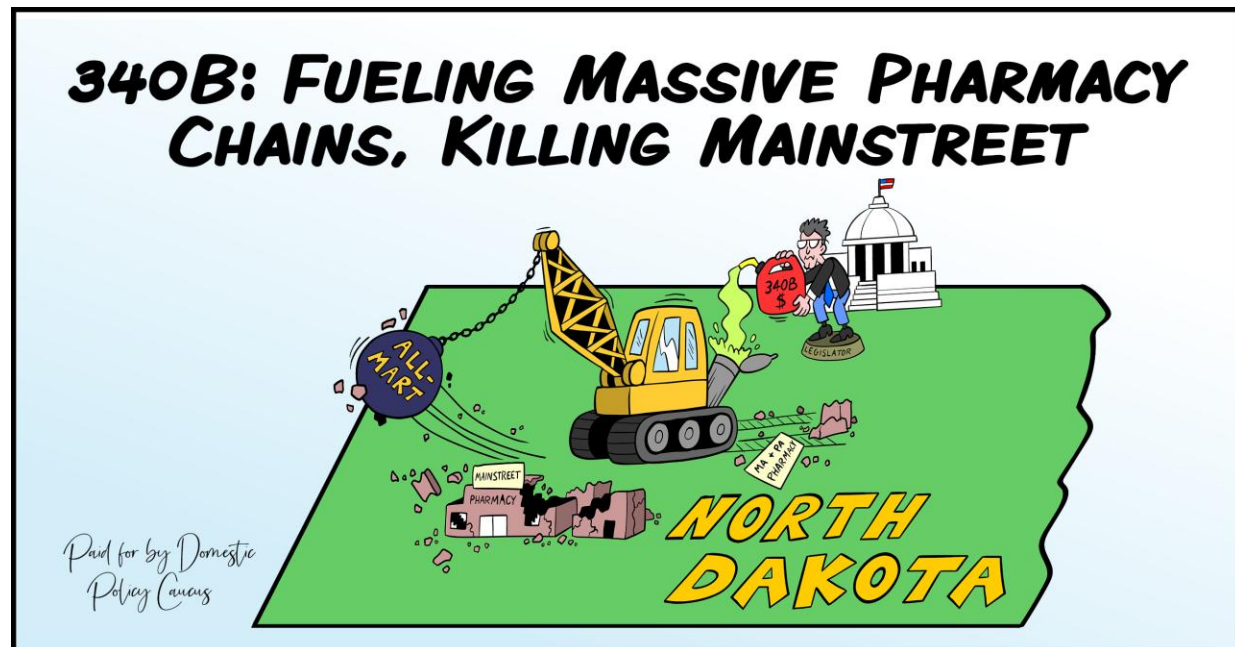


Domestic Policy Caucus
Testimony Opposing HB1473 – House Industry, Business, and Labor Committee
February 10, 2025



On behalf of the Domestic Policy Caucus, I am writing to express our opposition to the expansion of 340B, the federal law on prescription drugs, in North Dakota, as contained in HB1473.

If they were made aware of it, most North Dakotans probably would find it baffling that their state legislators are considering the expansion of a massive federal healthcare mandate. It's troubling that this appears to be occurring with little discussion about the financial impacts of the policy or the impact on rural North Dakota.

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 are increasing, and that's [according to the JAMA](#). Indeed, the profit has become a major revenue source for some providers, with little to no benefit for the patient.

What's more is that an expansion of 340B would hand over even more economic power to massive, national chain pharmacies—so called contract 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 North Dakota?

An expansion of 340B 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 North Dakotans, and to imperil the ability of underserved residents to receive the care and discounts they need, all while lining the pockets of big healthcare systems and giant chain pharmacies. Meanwhile, it would do nothing to reduce patient costs, which is what everyone really wants.

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

In a [2022 policy brief](#), 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. [According to NPR](#), 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 GoodRx called [“Mapping Credit Deserts.”](#) of all the states, North Dakota has among the most counties having insufficient access to a drugstore. Expanding 340B 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 accessibility of medicines to these populations—like forcing them to travel farther to obtain them—needs to take the issue of health equity into consideration.

Making a bad 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 vote “no” on HB1473 and expanding 340B in North Dakota.

Thank you,



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