



Dear North Dakota Legislator:

We are writing to express our concern for HB 1473 that would expand the 340B Drug Pricing Program in the midst of its far-reaching impacts on patients, taxpayers, and employers in North Dakota. Originally created to help low-income and uninsured patients access affordable medications, 340B has become a hospital markup program riddled with loopholes that allow large hospitals, pharmacy benefit managers (PBMs), and chain pharmacies to profit at the expense of patients. Instead of lowering costs for those in need, many 340B hospitals mark up the price of discounted drugs—charging insurers and patients full price while pocketing the difference.

Before expanding a program with known loopholes and misaligned incentives, we must address the fundamental issues plaguing 340B today:

- **Hospital Markups & Rising Costs:** Many 340B hospitals in North Dakota [markup medicine prices](#) rather than passing discounts to patients, leading to significantly higher prescription costs compared to non-340B providers. This [drives up insurance premiums](#) and [out-of-pocket expenses](#) for families and employers statewide.
- **Loopholes That Undermine Rural Access:** Today, 41 healthcare entities participate in 340B, with 430 contracts between [North Dakota](#) hospitals and out-of-state pharmacies. However, only 38% of these contract pharmacies are in medically underserved communities, meaning most program savings flow to wealthier areas – funneling resources away from rural communities while benefiting wealthier urban areas.
- **Lack of Transparency & Minimal Charity Care:** Despite [generating millions](#) in 340B revenue, 80% of [North Dakota's 340B hospitals](#) provide charity care below the national average. With an average charity care rate of just 1.1%, far below the national average of 2.5%, many uninsured patients still pay full price for medicines acquired at steep discounts. North Dakota's 340B entities generate 6.6 times more in program profits than they spend on charity care, while large hospitals and PBMs pocket the difference with no requirement to reinvest savings into patient care.

Without meaningful reform, 340B will continue to function as a loophole for hospital markups and corporate profits rather than a program benefiting the patients it was intended to serve. Expanding a broken system will only exacerbate these issues, leaving North Dakota's most vulnerable patients without the care they need.

We urge you to prioritize transparency and accountability reforms that ensure 340B savings directly benefit patients and support rural healthcare expansion rather than fueling profit-driven hospital tactics. We welcome the opportunity to work with you on solutions that put North Dakota patients first.

Sincerely,

Biomarker Collaborative
 Community Access National Network
 Community Liver Alliance
 Exon 20 Group
 H.E.A.L.S. of the South
 Hispanic Business Alliance
 Infusion Access Foundation
 International Cancer Advocacy Network

Lupus and Allied Diseases Association, Inc.
 MET Crusaders
 National Infusion Center Association
 Neuropathy Action Foundation
 North Dakota Watchdog Network
 PD-L1 Amplifieds
 WomenHeart Jamestown