



March 11, 2025

State Capitol
600 East Boulevard Avenue
Bismarck, ND 58505

Subject: HB 1473: OPPOSE – Rural Patients Need Real 340B Reform—Not HB 1473

Dear North Dakota Legislators,

I am writing on behalf of Patients Rising, a national nonprofit, nonpartisan patient advocacy organization dedicated to advocating for transparency, affordability, and access to healthcare for millions of patients across the country. Our work spans all 50 states, including North Dakota, where we support patients, caregivers, and families navigating complex medical systems. Through our patient advocate network, we hear firsthand from North Dakotans burdened by rising healthcare costs and medical debt—many of whom rely on hospitals that participate in the 340B program.

While some may argue that HB 1473 protects the 340B Drug Pricing Program, it does so at the expense of patient transparency, accountability, and ultimately, affordability. This bill does nothing to ensure that 340B hospitals reinvest savings into patient care or rural healthcare access. Instead, it further entrenches a system that benefits large hospital corporations and out-of-state pharmacy chains—not North Dakota’s most vulnerable patients.

Rural Patients Are Being Left Behind

The original intent of the 340B Drug Pricing Program was to provide access to discounted medications for rural and underserved hospitals to help vulnerable patients and local communities. Yet today, large hospital corporations and out-of-state pharmacy chains are the primary beneficiaries—not North Dakota’s most disadvantaged patients.

- **67% of North Dakota’s largest 340B hospitals’ contract pharmacies are located outside the state**, with some as far as Hawaii and New York. This diverts intended benefits away from rural North Dakotans.
- **70% of 340B pharmacies serving ‘low-income’ patients are actually in affluent neighborhoods**, not in the rural communities that truly need them.

- **North Dakota’s 340B hospitals provide charity care at an average rate of just 0.87%, far below the national average of 2.28%.**

And yet, North Dakota does not have chain pharmacies—a point of pride for the state. Ironically, the 340B program is feeding the bottom line of national pharmacy chains through an out-of-state network of contract pharmacies. Instead of benefiting rural North Dakotans, this program enriches major corporate players located thousands of miles away.

At the same time, North Dakotans continue to struggle with medical debt. **According to the Consumer Financial Protection Bureau**, the average medical debt in collections for North Dakota residents is \$490, with a total average medical debt of \$1,551 per person. While we cannot determine how much of this is directly tied to 340B hospitals, it is reasonable to assume – given our direct research in other states – that a significant portion of patients carrying medical debt were treated at 340B facilities.

How HB 1473 Fails Patients

HB 1473 solidifies this broken system into state law, prioritizing hospitals’ financial gains while failing to ensure that any 340B savings are reinvested into North Dakota’s rural healthcare infrastructure.

- **HB 1473 does not require hospitals to use 340B funds to expand rural access.** Instead, hospitals will continue to partner with out-of-state pharmacies, leaving rural patients without local solutions.
- **HB 1473 increases costs for patients.** [A recent 2025 analysis by IQVIA](#) found that the unchecked 340B program increases insured North Dakotans’ costs by \$231 per person per year—and HB 1473 would add \$59 more per beneficiary.
- **HB 1473 will cost North Dakota taxpayers**—who already subsidize hospitals’ tax-exempt status—an additional **\$4.3 million in lost drug rebates annually.**

These are **direct costs** to North Dakota families, farmers, and small businesses who already struggle to afford healthcare.

Patients Rising Supports Reform that Puts Patients First

Patients deserve transparency, accountability, and affordability—not a system that allows hospitals and out-of-state corporate pharmacy chains to profit off programs meant for patient care.

- **Demand Transparency:** North Dakota ranks among the worst states in the country for hospital transparency and accountability—scoring just 2 out of 10 points in the [Cicero Institute’s 50-state evaluation of nonprofit hospitals and community benefits](#). The state

know how much hospitals profit from 340B and how much they reinvest into patient care, particularly in rural communities.

- **Invest in Rural Communities:** Ensure that ALL 340B funds support local health initiatives, including rural clinics, transportation for rural patients, and patient rebates.
- **Protect Patients' Right to Know:** Patients should know if they are receiving a 340B drug and what their hospital paid for it. Transparency matters, and patients deserve to understand whether their care is part of a system designed to generate hospital revenue rather than reduce their costs.

Put North Dakota Patients Over Profits

North Dakota has always stood for common sense and fairness. That should include ensuring that 340B works for patients—not just hospitals and corporate pharmacy chains in other states.

We urge you to **vote NO on HB 1473** and instead support real reforms that protect patients, demand transparency with accountability, and prioritize North Dakota's rural healthcare needs.

Respectfully,



Terry Wilcox

Co-Founder & Chief Executive Officer, Patients Rising