



April 3, 2025

Vermont General Assembly
Senate Health and Welfare Committee
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(HEAL) Group
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National ADAP Working Group (NAWG)

Via Electronic Mail

RE: H.266

Dear Honorable Chairwoman Lyons, Vice Chair Weeks, Members of the Vermont Senate Health and Welfare Committee, and your respected staff,

The Community Access National Network urges caution regarding **H.266** which would expand the federal 340B Drug Pricing Program in Vermont without sufficient oversight to ensure the program appropriately serves patients, particularly those living with HIV and other chronic health conditions.

The Community Access National Network (CANN) is a 501(c)(3) national nonprofit organization focusing on public policy issues relating to HIV/AIDS and viral hepatitis. CANN's mission is to define, promote, and improve access to healthcare services and support for people living with HIV/AIDS and/or viral hepatitis through advocacy, education, and networking.

While CANN is primarily focused on policy matters affecting access to care for people living with and affected by HIV, we stand in firm support of all people living with chronic and rare diseases and recognize the very reality of those living with multiple health conditions and the necessity of timely, personalized care for every one of those health conditions. The 340B Drug Pricing Program is of profound importance to our community.

On May 28th, 2024 the “340B Affording Care for Communities and Ensuring a Strong Safety-net Act” or “340B ACCESS Act” was unveiled in the United States House of Representatives. The bill represents a careful negotiation between a variety of stakeholders affected by the 340B program, including but not limited to the National Association of Community Health Centers, a trade organization representing pharmaceutical manufacturers, and several patient advocacy organizations. CANN is proud to count ourselves among the members working to find consensus on reforming the 340B drug discount program.

H.266 undermines the well-recognized need for reform to align 340B with its original intent because the bill seeks an avenue to expand 340B contract pharmacy arrangements without limitation – particularly, limitations necessary to ensure proper transparency and accountability.

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H.266 poses the potential to exacerbate problems in the 340B program without adequately ensuring the expansion actually benefits patients. While it is an encouraging first step to require hospitals to share details regarding their participation in the program, we encourage the legislature to define “community benefit” to ensure that savings are being used in line with the original intent of the 340B legislation by reaching more eligible patients and providing more comprehensive services.

Hospitals participating in the 340B program 340B can generate revenue by [acquiring independent physician practices, especially oncology and specialty care](#), and converting them into hospital outpatient departments. This allows them to buy drugs at the 340B discount but bill insurers, including Medicare, at full price. [As large hospital systems consolidate, they can dominate regional healthcare markets](#), reducing competition, which can drive up costs and limit patient choice.

Many rural hospitals are not eligible for 340B, as they may not meet the program’s Disproportionate Share Hospital (DSH) threshold or other requirements. Meanwhile, urban 340B hospitals acquire specialty care providers, drawing patients (and revenue) away from rural facilities.

If this body seeks to positively impact patient access to care, priority on [PBM reform is a must](#). PBM reform, not unchecked 340B expansion, speaks most directly to patient concerns regarding pharmacy access, benefit design, and medication affordability.

To be clear, CANN supports a strong 340B program. When 340B operates the way it is intended, safety-net providers thrive and vulnerable communities, families, and individuals gain access to healthcare they might otherwise not have. CANN welcomes discussion on instituting appropriate guardrails into legislation that would serve to strengthen the program, shield good stewards, and hold accountable bad actors within the appropriate limitations of state powers associated with this federal program.

We would be happy to discuss this legislation or any other matters of public health, please feel free to reach out by email or phone at kalvin@tiican.org , 913-954-8816, or jen@tiicann.org, 313-333-8534.

Respectfully submitted,



Sincerely,
Calvin Pugh
Director of State Policy, 340B
Community Access National Network (CANN)

On behalf of
Jen Laws
President & CEO
Community Access National Network