



April 13, 2026

Senator Gustavo Rivera
New York Senate
grivera@nysenate.gov

Assemblymember Amy Paulin
New York Assembly
PaulinA@nyassembly.gov

Via Electronic Communications

Re: 340B prescription drug anti-discrimination act

Dear Senator Rivera and Assemblymember Paulin:

Aimed Alliance is a non-profit health policy organization that seeks to protect and enhance the rights of health care consumers and providers. Aimed Alliance has been working with patients, providers, and advocacy organizations in New York for over a decade, working to improve consumer protections to ensure that patients can access and afford the care and treatments they need. We are writing to express our concerns with A.6222/S.1913 and urge the New York Legislature to consider transparency alternatives that better address the challenges of the 340B Drug Pricing Program (“340B Program” or “Program”).

I. The 340B Program is a Critical Safety Net Program

The 340B Program is a federal program designed to help “covered entities” serving low-income and uninsured patients stretch their financial resources by purchasing prescription drugs at substantially discounted prices. In recent years, the 340B Program has come under scrutiny as the number of covered entities, contract pharmacies, and 340B revenue has grown. A variety of health care stakeholders have expressed concern that the growth of the 340B Program is being used as a mechanism to increase hospital profits without reducing costs for consumers through increased charity care, community practices, or other unreimbursed services.ⁱ

A.6222/S.1913 would prohibit a pharmaceutical manufacturer from denying access to a covered entity or contract pharmacy based on a covered entity’s participation in the 340B Program and prohibit pharmaceutical manufacturers from requiring additional reporting requirements for 340B hospitals if those same reporting requirements do not apply to all other hospitals. While Aimed Alliance supports the goal of this bill to ensure genuine and eligible 340B entities are able to access the discounted prices they need to serve their communities, in

practice, this would allow an already uncontrolled federal Program to continue to expand without accountability, oversight, or guarantees of improvements for consumers.

Importantly, the 340B Program currently imposes no federal requirement that discounted drug savings be passed through to patients at the point of sale. As a result, patients at 340B-participating hospitals may still face significant out-of-pocket costs for the very prescriptions purchased at steep discounts by their providers. Similarly, the rapid expansion of contract pharmacy arrangements—which this bill would further protect—has not been accompanied by demonstrated increases in charity care or patient assistance programs. Without transparency and reporting requirements, there is no mechanism for the Legislature to determine whether 340B savings are reaching the patients and communities the Program was designed to serve.

For this reason, Amed Alliance urges the New York legislature to not pass A.6222/S.1913 and instead consider transparency requirements that ensure the 340B Program is run as intended under federal law.

II. The 340B Program Lacks Oversight

The U.S. Government Accountability Office (GAO) has published several reports that found the 340B Prescription Drug Program lacks the oversight and accountability needed to ensure it is operating as intended. The GAO has provided 20 recommendations to improve oversight within the program. However, as of October 2025, only five of the 20 recommendations have been adopted.ⁱⁱ The GAO has recognized that a key weakness of the program, which has still not been addressed, is the lack of audits and oversight by the Health Resources & Services Administration (HRSA).ⁱⁱⁱ As a result of the lack of oversight, **HRSA is not able to ensure that covered entities are (1) compliant with the 340B Program requirements; (2) apply only a 340B Discount or a Medicaid Rebate; or (3) limit participation in the Program to eligible hospitals.**^{iv}

Thus, as a result of this lack of oversight, there are genuine questions about how the 340B Program is ensuring its mandate is appropriately fulfilled and benefiting consumers. To better understand how 340B Programs operate, some state legislators have passed mandates requiring greater transparency into the 340B Program. For example, Minnesota recently passed legislation that requires the Minnesota Department of Health to collect and aggregate data on the 340B Drug Pricing Program.^v Minnesota's most recent report of 2024 data found that the 340B Program generated a collective net revenue of \$1.34 billion during the 2024 calendar year.^{vi} Importantly, the Minnesota Department of Health notes there are still challenges in ensuring all 340B Programs are reporting data, and the Department estimates the figure is still likely an undercount of the full 340B Program revenue.^{vii} Critically, the Report also found that for every \$100 generated by the 340B Program, covered entities only spent \$12 administering the 340B Program.^{viii} It is unclear how the remainder of the profits are spent to achieve the mandate of the 340B Program.

While Minnesota is one of the earliest states to adopt these reporting requirements, other states have followed suit. In 2025, Idaho passed reporting requirements that went further for consumers, requiring 340B Programs to report annual revenue and disclose how 340B Program funds were used (i.e., charity care, community benefits, or other types of unreimbursed care).^{ix}

Legislation, like that adopted in Minnesota and Idaho, allows state legislatures to take action on the 340B Program in a manner that ensures the 340B Program benefits the originally intended covered entities and consumers. These reporting requirements also help states fill the federal oversight gap and ensure future reforms are targeted to address how the 340B Program is currently operating. For these reasons, Aamed Alliance urges the New York Legislature not to pass A.6222/S.1913.

III. Conclusion

Aimed Alliance recognizes that New York’s safety-net hospitals and community providers face real financial pressures, including the significant revenue losses resulting from the 2023 Medicaid pharmacy benefit carve-out of managed care. These concerns underscore—rather than diminish—the need for comprehensive transparency. The Legislature must first have the data necessary to understand how the Program is currently operating in New York and whether its benefits are reaching the patients it was designed to serve. For these reasons, Aamed Alliance urges the Legislature to pursue 340B transparency and reporting requirements that mandate covered entities disclose (1) 340B revenue; (2) how 340B Program revenue is used toward charity care, community benefits, or other types of unreimbursed care; and (3) the extent to which 340B savings are passed through to patients at the point of sale.

Aimed Alliance would welcome the opportunity to work with your offices on drafting transparency legislation that protects the integrity of the 340B Program while ensuring its benefits reach the patients and communities it was designed to serve.

If you have any questions, please contact Aamed Alliance at avantrees@aamedalliance.org.

Sincerely,

Ashira Vantrees, Esq.
Director of Legal Strategy & Advocacy

ⁱ Aamed Alliance, *The 340B Program Explained: Access, Impact, and the Road to Reform*, https://aamedalliance.org/wp-content/uploads/2025/10/AA-340BProgram-FactSheet_October2025_Final.pdf.
ⁱⁱ U.S. GAO, *The 340B Drug Discount Program: Agency Oversight Has Improved, but Actions Needed to Address Weaknesses*, <https://www.gao.gov/products/gao-26-108784>.
ⁱⁱⁱ *Id.*
^{iv} *Id.*
^v Minnesota Department of Health, *340B Covered Entity Report*, <https://www.health.state.mn.us/data/340b/docs/2025report.pdf>.

^{vi} *Id.* at 4.

^{vii} *Id.*

^{viii} *Id.* at 8.

^{ix} NCSL, *State Legislative Actions and the Federal 340B Drug Pricing Program*, <https://www.ncsl.org/health/state-legislative-actions-and-the-federal-340b-drug-pricing-program>.