

April 2, 2024

Dear Senator:

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, contained in H.B. 1056.

If they were made aware of it, most Marylanders probably would find it baffling that their state legislators are considering the expansion of a massive federal healthcare mandate. It's troubling that this happened with little discussion about the impact of the policy on ability to have their medical needs satisfied.

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 and total cost of care are being increased," [according to a 2013 JAMA article](#). Indeed, the profit has become a major revenue source for providers.

What's more is that H.B. 1056 would hand over even more economic power to massive, national chain 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 Maryland?

H.B. 1056 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 Marylanders, and to imperil the ability of underserved residents to receive the medications they need, all while lining the pockets of big healthcare systems and giant chain pharmacies. Meanwhile, it would do nothing to reduce healthcare costs, which is what everyone really wants. Indeed, it probably would actually increase costs while resulting in poorer health outcomes.

As you know, pharmacies are essential to the communities they serve. But in Maryland 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. H.B. 1056 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 availability of medicines to these populations—or force them to travel farther to obtain them—needs to take the issue of health equity into consideration.

There should be much more discussion, analysis, and debate before determining whether to head down this uncertain and troubling healthcare policy path.

Please vote "no" on H.B. 1056.

Thank you,



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