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ican international cancer advocacy network
the virtual lifeline for proactive cancer patients

Testimony of Marcia K. Horn, JD
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submitted to:

The House Insurance Committee
Ohio House of Representatives
in Opposition to HB 276 re
the federal 340B Drug Discount Program

October 12, 2025

Mr. Chairman, and Members of the House Insurance Committee, thank you for the opportunity to testify in opposition to HB 276. I am Marcia Horn, President and CEO of ICAN, International Cancer Advocacy Network, a 501(c)(3) Phoenix-based non-profit aiding Stage IV cancer patients with clinical trials matching services, direct patient navigation, molecular profiling matching services, and assistance with compassionate use requests. Founded 29 years ago, we have helped more than 19,500 patients around the world and in all 50 states, including hundreds in Ohio.

We respectfully urge you to oppose HB 276. The federal 340B prescription drug program needs real reform, specifically greater transparency regarding where the money is going and how it is being spent. HB 276 does not meet this urgent need for 340B reform, and, indeed, seems to set up a system that would block transparency through its prohibitions on data-sharing:

1) Transparency and Oversight: HB 276 sets up roadblocks to the transparency and oversight that are needed for true reform of the 340B program. What is received by the hospitals and pharmacies as well as what is taken by the Pharmacy Benefit Managers (PBMs) is not clear now, and it will be less clear under the provisions of HB 276.

What is spent? Is the money getting to the low-income and uninsured patients that the 340B program was designed to help?

2) The Need for Reform: The 340B program needs major reform to stop the abuses that are taking place throughout the country, including in Ohio. Sadly, HB 276 misses the great opportunity to substantially reform the program.

The 340B prescription drug program is a good program with a noble intent: provide drugs to low-income and uninsured patients.

Unfortunately, since it was established in 1992, the program has been distorted and often hijacked by hospital chains, pharmacies, and PBMs.

Few doubt the need for meaningful 340B reform. The question is what should be done and by whom? The fundamental problem is that the discounted drug prices that were supposed to benefit uninsured and lower income patients are not getting to those groups. This has been the fault of far too many hospitals and far too many pharmacies—both of whom are supposed to be administering the 340B program to help low-income and uninsured patients.

We reiterate those concerns in this testimony, but we will not belabor them. Anyone who doubts the serious problems in the 340B program should simply see the huge amount of well-documented evidence that comes from far too many sources to ignore or dismiss as partisan or self-interested. These include:

The *New York Times* expose, "How a Hospital Chain Used a Poor Neighborhood to Turn Huge Profits." This story illustrates what is wrong and what desperately needs to be reformed in the 340B program. Here is a perfect example of where abuse and misuse of the 340B program is not only raising drug prices for everyone, but where the intended beneficiaries of the program—uninsured and low-income patients—are not receiving the discounts on drugs that they are entitled to.

In addition to the *New York Times* expose, there is ample evidence gathered by many other experts both in government and out. A Government Accountability Office report showed that more than half of the 340B hospitals examined were not passing on the discounts. An Office of Inspector General report showed that many uninsured patients are paying full price at the contract pharmacies that are supposed to be complying with the 340B program.

Today, the 340B program has morphed into a huge profit center for corporate pharmacy chains, like Walgreens and CVS who account for 60% of the contract pharmacies in the program. A report found that the average profit margin on 340B medicines dispensed through contract pharmacies was 72%, compared with just 22% for non-340B medicines.

In fact, a report by the North Carolina State Treasurer showed that North Carolina hospitals used the 340B discounts to overcharge cancer patients, state employees, and taxpayers for oncology drugs. Abuse of the 340B program isn't isolated to North Carolina; it's happening in Ohio and all across the country.

A new study by the American Cancer Society's Cancer Action Network finds that the 340B program creates an incentive for hospitals to use more expensive medications, thus increasing the amount cancer patients pay in deductibles, coinsurance, and for medications.

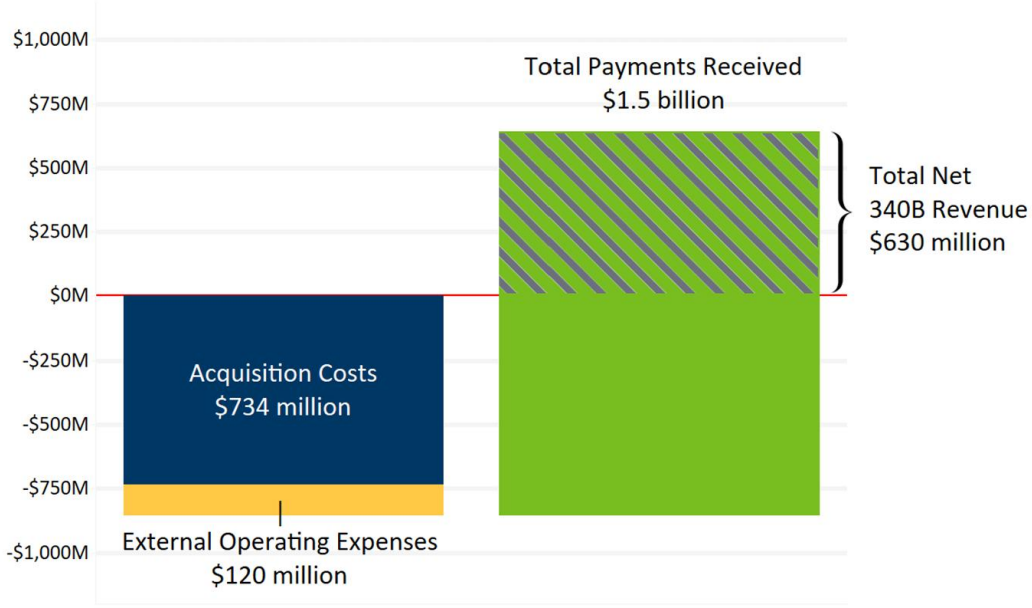
Under HB 276, we would continue the fundamentally unjust situation in which the intended beneficiaries who are eligible for, and need, the 340B discounts, are not getting them, while those who are not entitled to the discounts are getting them.

We also urge you to look at the one-page summary of the 340B program in Ohio that was done by the highly-respected Pioneer Institute (https://pioneerinstitute.org/wp-content/uploads/Ohio-2025.pdf). Here you will see all the problems with the 340B program in Ohio that call out for serious reform. There is additional documentation of the problems of the 340B program in Ohio contained in the report by the IQVIA consulting firm (ohio--cost-of-340b-fact-sheet.pdf).

3) The True Path to Reform: Late last year, the Minnesota Department of Health released an astonishing report on how 340B operates in that state. The report laid out where the money actually goes in the 340B program and who is receiving it. This report should be sobering to anyone who wants the 340B program to work as intended and help low income and uninsured patients (the report is available at: https://www.health.state.mn.us/data/340b/docs/2024report.pdf).

Here are the figures (from page eight of the report) that show payments received by Minnesota providers participating in the federal 340B program:

Figure 1: Summary of net 340B revenue and its components in Minnesota, 2023



Source: MDH, Health Economics Program analysis of 2023 data reported by Covered Entities under the Minnesota 340B Covered Entity Report.

The profit margin for 340B participants was a huge 42.45% on a program that is designed to give discounted drugs to low income and uninsured patients.

Additionally, the report points out (also page eight):

> Many distinct health care provider types participate in the 340B program—from general acute care hospitals and Critical Access Hospitals to disease-specific and safety-net clinics—and the reported data reveal notable variation between entity types.
>
> - The state's **largest 340B hospitals benefitted most from the 340B program**, accounting for only 13% of the reporting entities but representing approximately 80%—or about $500 million—of the statewide net 340B revenue. These large hospitals reported the largest volume of prescription fills and received the most net 340B revenue per drug fill on average.
> - Conversely, **Safety-Net Federal Grantee clinics—which include Federally Qualified Health Centers (FQHCs), their lookalikes, and tribal health centers—generated the least net 340B revenue**.

Before any new legislation passes regarding 340B, Ohio should follow Minnesota's example and conduct such an audit of the 340B program. That knowledge would then form the basis on which serious legislation could be crafted and passed.

Mr. Chairman and Members of the Committee, on behalf of the patients we serve, and on behalf of all patients who are affected by drug pricing issues, please oppose HB 276 and let us refocus reform efforts on measures that will actually lower drug costs for all patients, especially uninsured and lower income patients.

Thank you for your consideration and for the opportunity to testify in opposition to HB 276.

Respectfully submitted,

Marcia K. Horn

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ICAN, International Cancer Advocacy Network

Founded in 1996, ICAN is a Phoenix-based 501(c)(3) non-profit that has helped more than 19,500 Stage IV metastatic cancer patients in all 50 states and in 83 countries to date. We work every day to secure the most effective drugs and treatments for our patients.

ICAN's mission is to assist and empower late-stage cancer patients with cutting-edge information regarding anticancer drugs in clinical trials and physician referrals. We work with many outstanding cancer centers in Ohio and dozens of community oncologists throughout the state. We advocate for cancer patients and for research that is critical to their care, and we work to improve access to affordable and innovative treatments for all patients.