

April 20, 2026

Dear Hudson Valley and Long Island Legislators:

On behalf of the Suburban Hospital Alliance, representing hospitals and health systems on Long Island and in the Hudson Valley, **I urge your support for inclusion of S.1913/A.6222, the 340B Prescription Drug Anti-Discrimination Act, in the 2026-27 fiscal year budget.** This legislation would preserve the benefits of the federal 340B drug program by prohibiting pharmaceutical manufacturers, pharmacy benefit managers (PBMs), wholesalers and other middlemen from interfering with providers' ability to obtain the intended discounts.

Big Pharma is advancing new restrictions on nearly a weekly basis. Every day that the Legislature fails to act on the 340B Anti-Discrimination Act is another opportunity for the pharmaceutical industry to undermine the program, hurting non-profit providers and the patients they serve.

More than half of suburban hospitals participate in the 340B program, which allows hospitals, clinics and other providers meeting certain criteria to purchase drugs from manufacturers at reduced prices. Some providers utilize community-based, contracted pharmacies to dispense the drugs, making the benefit more convenient to the patients they serve. Participating safety net providers are then able to use the savings to offset losses from Medicare and Medicaid, sustain programs for which reimbursement is less than the cost of providing care, and otherwise reinvest in their operations to better meet the needs of their communities. **The program operates at no cost to state government but provides critical support for hospitals' efforts to address health disparities.**

Pharmaceutical companies and PBMs, among the nation's most profitable corporations, are using increasingly aggressive tactics to restrict providers' ability to operate their 340B programs effectively. For example, some pharmaceutical companies have prohibited contract pharmacies from supplying their products or put conditions on their supply shipments. PBMs have reduced reimbursement, essentially taking the 340B benefit for themselves. Both have added new administrative burdens, such as claims modifiers, that discourage providers from participating in the program.

S.1913/A.6222 would protect providers' 340B programs by prohibiting manufacturers, PBMs, wholesalers or others from creating additional administrative requirements and from restricting the utilization of contract pharmacies. Importantly, the legislation would also create an enforcement mechanism to hold these entities accountable.

The 340B Prescription Drug Anti-Discrimination Act would ensure the continued viability of a critical resource for vulnerable communities and the safety net institutions that care for them. Suburban hospitals urgently need the adoption of this language – already incorporated in the Senate’s budget resolution – in the 2026-27 budget.

Thank you for your consideration. Please do not hesitate to contact me if I can provide you with any further information.

Best regards,

Wendy Darwell

Wendy Darwell
President and Chief Executive Officer