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Dear Members of the Michigan Legislature,

Recent reporting on Minnesota’s 340B Drug Pricing Program has brought renewed attention to how this federal program operates and how hospitals abuse the program. The 340B program, established by Congress in 1992, allows eligible hospitals and clinics to purchase certain outpatient medications at significantly discounted prices so they can stretch limited resources and support care for underserved populations.

On February 27, 2026, Minnesota’s Department of Health released the [340B Covered Entity Report](#). **The report showed how hospitals and safety-net clinics in Minnesota collectively received about \$1.34 billion in revenue in 2024 through the 340B program.** These funds were generated by purchasing medications at reduced prices and then being reimbursed by insurers at standard rates. Notably, the largest health systems accounted for a significant share of the total revenue.

The purpose of the 340B program is to help hospitals and clinics expand care for patients who are uninsured, underinsured, or otherwise vulnerable. At the same time, the growing size of the program has sparked an ongoing national conversation about transparency, accountability, and how savings are ultimately used to benefit patients and communities.

The report from Minnesota reinforces the need for greater accountability to ensure that the 340B program intended to support vulnerable patients improves access, affordability, and equity in care, rather than functioning primarily as a revenue stream for hospitals supported by employers and working families.

Improvements to the 340B program need to be made. Transparency needs to be added to ensure resources are used to meaningfully benefit the patients the program was originally designed for. The Michigan Legislature must examine how hospitals in the state are using the 340B drug pricing program.

The [Michigan Health Purchasers Coalition \(MIHPC\)](#) is here to help. Please reach out to us with any questions regarding the 340B program and how it affects healthcare costs for employers and working families.

Thank you for your continued support and commitment to advancing healthcare in our communities.

Sincerely,
Bret Jackson
MIHPC President
bret@mihpc.org
mihpc.org