

May 7, 2025

TO: The Honorable Members of the Illinois General Assembly

SUBJECT: Protect 340B for Vulnerable Illinoisans

As representatives of one Illinois' 55 Critical Access Hospitals (CAHs) participating in the 340B program, we appreciate the opportunity to emphasize its essential role in sustaining Illinois' CAHs, our patients, and the communities we care for. We urge you to support and co-sponsor [SB 2385](#) and [HB 3350](#) to safeguard this vital program in Illinois.

The 340B program is crucial to our hospitals, helping ensure that some of our most vulnerable patients have access to their prescription medications and comprehensive healthcare services. Congress created the program to help participating hospitals and clinics manage the burden of increasing drug costs by requiring pharmaceutical companies to offer discounts to healthcare providers, including hospitals and federally qualified health centers (FQHCs), that care for large populations of uninsured and low-income patients.

The Affordable Care Act expanded the 340B Drug Pricing Program to include Critical Access Hospitals in 2010. The goal in doing this was to improve access to affordable prescription drugs and healthcare for underserved populations, particularly in rural areas. By federal design, CAHs serve areas of the state where an individual may be required to drive long distances in order to see their physician or fill a prescription. Critical Access Hospitals also depend heavily on government funding from Medicare and Medicaid. According to the 2022 Illinois Dept. of Public Health Annual Hospital Questionnaire for CAHs, 60.8% of inpatient and outpatient admits/visits are covered by Medicare and Medicaid as a primary payer.

As 340B hospitals, we rely on the program discounts to provide medications to all patients, regardless of their insurance coverage. This program is vital for not only CAHs, but Safety Net Hospitals, children's hospitals, and other healthcare providers who care for underserved communities.

When the 340B program operates as designed, hospitals are fully reimbursed for 340B-discounted medications and those savings are used to enhance access to care, extending services to a greater number of patients and offering a broader range of essential healthcare resources. Some CAHs have leveraged their 340B savings to address access, opening health and urgent care clinics in communities dozens of miles away from their main campus—providing free screenings, services and therapies, including mammograms, colonoscopies, orthopedic and pediatric treatment. Savings are also used by 340B CAHs to provide transportation to medical appointments and deliver oral health services through mobile dental vans—all important programs that improve health outcomes for vulnerable populations.

Unfortunately, pharmaceutical manufacturers have consistently attempted to scale back the 340B program, as the required discounts reduce their profit margins. It was during the COVID-19 pandemic that companies such as Eli Lilly & Company, AstraZeneca PLC, and Merck & Co. took steps to limit access to critical medications by imposing restrictions or conditions on 340B-covered entities using contract pharmacies like Walgreens and CVS.

Major pharmaceutical companies are deliberately prioritizing their profits over the healthcare needs of low-income and underserved patients. This has created a significant financial strain on Illinois' CAHs that are working to maintain vital community healthcare services and programs, while pharmaceutical companies withhold 340B drug discounts, impose unnecessary restrictions on contract pharmacy partnerships, and push policies that constrain how hospitals can obtain 340B medications.

These restrictions have forced many CAHs to make tough decisions about patient care. As 340B savings diminish, we must carefully assess our ability to introduce new services and evaluate existing programs to ensure their sustainability. As we mentioned, the 340B program has been a vital funding source for rural hospitals, helping them operate clinics that serve communities where many residents live in poverty and are far from the nearest hospital or healthcare facility. As 340B revenues continue to decline, some hospitals have been forced to cut essential services and community programs simply because they are no longer financially viable.

With the future of the 340B program and associated savings increasingly uncertain, we are deeply concerned about the long-term impact on patient health. If hospitals are forced to scale back investments in community care, more individuals will go without necessary treatment, leading to worsening health conditions and, ultimately, more costly hospitalizations. This ripple effect would not only burden hospitals but also place greater strain on entire communities and the broader healthcare system.

This is why we urge you to support and sponsor Senate Bill 2385 and House Bill 3350, which would prevent pharmaceutical manufacturers from prohibiting, restricting, or interfering with local pharmacies that contract with 340B-covered entities to dispense medications obtained through the 340B program. Based on similar laws enacted in eight other states, this legislation is essential to ensuring that patients can continue to conveniently access lifesaving medications for both chronic conditions and complex, rare diseases at their trusted local pharmacies.

Preserving access to essential healthcare services for the state's most vulnerable patients and underserved communities remains a significant challenge. That is why we strongly encourage your support for Senate Bill 2385 and House Bill 3350 to protect Illinois' CAHs and other 340B providers from pharmaceutical industry-driven efforts to limit access to 340B medications.

We appreciate the opportunity to highlight the critical role the 340B program plays in supporting Illinois' CAHs, as well as the patients and communities that rely on it. Thank you for your time and consideration.

Sincerely,

Carle Eureka Hospital
Ms. Anna Laible, MBA
Administrator

Carle Hoopeston Regional Health Center
Ms. Heather Tucker, DNP, RN-BC, NEA-BC
Regional President

Clay County Hospital
Mr. Robert Sellers
President

Community Hospital of Staunton
Mr. Larry Spour
CEO

Crawford Memorial Hospital
Mr. Douglas Florkowski
CEO

Deaconess Illinois Union County
Mr. Harry Brockus, MBA
CEO

Fairfield Memorial Hospital
Mr. Mike Cooper
CEO

Ferrell Hospital
Mr. Tony Keene, MBA
CEO

Franklin Hospital District
Mr. James Johnson
CEO

Gibson Area Hospital & Health Services
Mr. Robert Schmitt
CEO

Hammond-Henry Hospital
Mr. Bradley Solberg
Interim CEO

Hardin County General Hospital
Mr. Roby Williams
CEO

Hillsboro Health
Mr. Michael Alexander, FACHE
CEO

Hopedale Medical Complex
Ms. Emily Whitson, MS, LAT, ATC, CA-CBS
Chief Operating Officer

Horizon Health
Mr. Jay Carmichael
President and CEO

HSBS St. Joseph's Hospital
Mr. Chris Klay, MA, PT, MHA, FACHE
President and CEO, Southern IL Market

Illini Community Hospital
Ms. Holly Jones, RN, MSN NEA-BC
Administrator

Iroquois Memorial Hosp. & Resident Home
Mr. Michael Tilstra
President and CEO



Jacksonville Memorial Hospital
Mr. Trevor Huffman, MBA, FACHE, PT
CEO

Lawrence County Memorial Hospital
Ms. Amy Hurley, MBA
CEO

Memorial Hospital
Mr. Brett Bollmann
CEO

Midwest Medical Center
Ms. Tracy Bauer, MHA
CEO

OSF Saint Clare Medical Center
Ms. Jackie Kernan
President

OSF Saint Paul Medical Center
Ms. Dawn Trompeter
President

Red Bud Regional Hospital
Ms. Jennifer Gregson, MBA-HCM, BSN, RN
Chief Administrative Officer

Salem Township Hospital
Mr. James Timpe, MS, RT(N)(MR)ARRT, FSNMMI
CEO

Sparta Community Hospital
Ms. Joann Emge
CEO

Thomas H. Boyd Memorial Hospital
Mr. Stace Holland, MHA
CEO

Warner Hospital and Health Services
Mr. Paul Skowron
CEO

Kirby Medical Center
Mr. Steven Tenhouse, MHA, FACHE, FHFMA
CEO

Massac Memorial Hospital
Mr. Donald Robbins, MHA
CEO

MercyOne Genesis Aledo Med. Center
Mr. Ted Rogalski, FACHE
Administrator

OSF Holy Family Medical Center
Ms. Lisa DeKezel
President

OSF Saint Luke Medical Center
Ms. Jackie Kernan
President

Pinckneyville Community Hospital
Mr. Randall Dauby, CPA
CEO

Rochelle Community Hospital
Ms. Karen Tracy, RN
CEO

Sarah Bush Lincoln Fayette County Hospital
Ms. Karen Dyer
CEO

St. Joseph Memorial Hospital
Mr. Craig Jesiolowski, FACHE
VP/Administrator

Wabash General Hospital
Ms. Karissa Turner
President & CEO

Washington County Hospital
Mr. Brian Monsma
President