Bristol Myers Squibb™

March 3rd, 2026

VIA ELECTRONIC SUBMISSION

Senator/Dr. Matt Klein, Chair of Senate Commerce Committee

Re: Opposition to SF 3769

Dear Chair/Dr. Klein and Members of the Senate Commerce Committee,

I appreciate the opportunity to express Bristol Myers Squibb's (BMS) strong opposition to SF 3769, a bill that, contrary to its description, does nothing to protect Minnesota's health care safety net or patient access to prescription medicines, and instead maximizes existing efforts to significantly expand a federal program intended to ensure care for vulnerable patients.

BMS is a global biopharmaceutical company whose mission is to discover, develop, and deliver innovative medicines that help patients prevail over serious diseases. In Minnesota, we have 138 employees working throughout the state, supporting some of the most advanced therapies in medicine today.

SF 3769 would continue to incentivize the dramatic expansion of the federal 340B program in Minnesota, requiring manufacturers to provide federal 340B discounts through an unlimited system of contract pharmacies, at a time when the program is already larger, less transparent, and more disconnected from patient benefit than ever before.

In 2025, BMS paid more than $135 million in 340B discounts in Minnesota alone, an increase of more than 18% when compared to 2024, without commensurate growth in the 340B covered entity or patient population to justify such a significant impact. 98% of those discounts were extended to hospitals, a stark reminder of how today's 340B program has evolved into a revenue generating platform for major health systems, rather than a program with transparency, accountability, or with direct benefit for vulnerable patients.

Minnesota is not an outlier; this state's experience reflects what is happening nationally. Across the country, 340B has exploded in size through program abuse. Discounted drug purchases reached more than $81 billion in 2024,[1] making 340B, once a limited program narrowly designed to support vulnerable patients, now the second largest drug program after Medicare Part D. Contract pharmacy arrangements have increased by 4,000% since 2010,[2] and nearly three quarters of such arrangements are now tied to large chain and PBM-owned pharmacies, reflecting the use of these arrangements for profit.

The newly released 340B transparency report from the Minnesota Department of Health highlights the unprecedented scale and growth of 340B in our state. Minnesota covered entities generated at least $1.34 billion in net 340B revenue in 2024. Of that number, less than 1% of total statewide revenue went to Grantees (FQHCs, tribal clinics, etc...) which significantly undercuts the narrative that 340B primarily benefits small safety net providers.

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[1] HRSA. "2024 340B Covered Entity Purchases." December 2025.

[2] Pioneer Institute. "First-of-Its-Kind Interactive Mapping Tool Reveals Extent of For-Profit Entities Benefitting from the 340B Drug Pricing Program." January 11, 2023.

Despite that extraordinary growth, evidence of the central promise of 340B, covered entities helping vulnerable patients afford their medicines is increasingly hard to find in the data because that promise is not being fulfilled. In Minnesota, charity care at 340B hospitals averages just 1.9% of operating costs, and more than two thirds of hospitals fall below the national average. From 2014 to 2022, hospital assets increased by 25% while charity care declined.

The system that SF 3769 would expand is already sprawling and misaligned with the communities 340B was meant to serve. Minnesota has 4,523 contract [3], including 1,275 with pharmacies located outside the state.[4] Of the 521 in-state contract pharmacy locations, only 38% are located in zip codes with average household income below the state median, and just 34% are located in rural areas, even though 61% of Minnesota zip codes are considered rural.[5] SF 3769 may be framed as protecting access for vulnerable patients and rural communities, but the geography and the data tell a very different story.

SF 3769 would lock this system into law, a flawed structure that does not require hospitals or contract pharmacies to pass 340B savings directly to patients and has shown vulnerability to diversion and compliance failures. Since 2015, federal audits in Minnesota have returned adverse findings in more than half of cases reviewed.[6] The cost of that failure is shifted to Minnesota families and taxpayers. Employers in Minnesota already pay an estimated $158 million more each year in health care costs due to foregone rebates, resulting in $12.3 million reduction in state and local tax revenue.[7] Extending this model would further compound those costs.

Instead of passing flawed legislation, we should embrace the unique opportunity to continue to lead in patient innovation through policy. Minnesota was the first state in the nation to enact a 340B Transparency law under the leadership of Chair Wicklund. Seven additional states have enacted similar transparency laws including: Washington, Ohio, Vermont, Maine, Rhode Island, Idaho, Indiana. Policymakers across the country are acting because the 340B program has grown into a sprawling, opaque financial scheme that lacks accountability.

340B is already the second largest drug program in the country. The question is whether growth is improving patient access, or simply fueling a system that no longer serves them. All available evidence shows a program that is growing rapidly, generating enormous revenue for large institutions, and yet delivering little measurable benefit to the vulnerable patients it was intended to benefit. SF 3769 would expand that system, not fix it.

We respectfully urge you to oppose SF 3769.

Sincerely,

/s/

Genevieve Plumadore
Director, State & Local Government Affairs
U.S. Policy & Government Affairs

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4 Pharmaceutical Research and Manufacturers of America (PhRMA). *"A Closer Look at 340B in Your Community – Washington State Profile."* 2025.
5 Id.
6 Id.
7 Id.