



State Advocacy Alert



September 18, 2025

ILLINOIS HEALTH AND HOSPITAL ASSOCIATION ADVOCACY ALERT

SUBJECT: Urgent: 340B Action Needed Before Veto Session, Meet with Your House Rep. on 340B Before Veto Session

The Illinois General Assembly will reconvene in Springfield Oct. 14-16 and 28-30 for the fall Veto Session. During this critical time, House Representatives will have the opportunity to act on IHA's Patient Access to Pharmacy Protection Act ([HB 2371 SA 2](#))—essential legislation to safeguard the 340B drug discount program.

Your engagement is urgently needed. Please contact your House Representative today to request a meeting before the Veto Session begins. Use this opportunity to underscore the vital importance of HB 2371 SA 2, highlighting the critical role the 340B program plays in expanding access to essential healthcare services and lifesaving medications at no cost to the state.

During your meeting stress that pharmaceutical companies are restricting hospitals' ability to use the program to provide care for their most vulnerable patients and communities, and counter Big Pharma's misleading claims by explaining that this legislation does not change the 340B program but simply restores its longstanding structure and reverses arbitrary restrictions drug manufacturers have imposed in recent years. Note that similar legislation has already been enacted in 19 other states and upheld by multiple courts.

Make clear the urgency of passing HB 2371 SA 2 in light of looming federal Medicaid cuts facing Illinois hospitals and ask your Representative to share their support directly with House Speaker Emanuel "Chris" Welch and urge him to call the bill for a vote during the Veto Session.

Big Pharma has invested millions to defeat this legislation. Only your direct outreach can ensure lawmakers hear the hospital community's voice above theirs.

ACTION REQUESTED: Contact your House Representative and schedule a meeting before the October Veto Session to advocate for a House vote on HB 2371 SA 2. [Click here](#) to access IHA's digital messaging platform to send a pre-populated message directly to your House legislator requesting a meeting.

Background: The federal 340B program has required pharmaceutical manufacturers to sell drugs at a discount to healthcare organizations, including many hospitals and federally qualified health centers (FQHCs) that care for uninsured and low-income patients. The 340B program is designed to provide hospitals with those savings to "stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services." Unfortunately, Big Pharma is impeding patients' access to healthcare services by limiting or placing conditions on the ability of 340B covered entities to operationalize the program and distribute 340B drugs through contract pharmacies, like Walgreens or CVS. By restricting or interfering with 340B hospitals and FQHCs and their contract pharmacies, Big Pharma is limiting access to care and exacerbating health disparities. [Click here](#) to access an IHA fact sheet with accurate information about the 340B program and the proposed legislation—designed to counter misleading claims from the pharmaceutical industry.

Key provisions of the Patient Access to Pharmacy Protection Act:

The Patient Access to Pharmacy Protection Act—modeled on similar legislation passed in 19 other states—prohibits pharmaceutical manufacturers from prohibiting, restricting or interfering with a local pharmacy that contracts with a 340B covered entity, such as a hospital or FQHC, to dispense medications acquired through the 340B program. This legislation exercises the state’s traditional authority to regulate the distribution of drugs and protect access to healthcare, thereby complimenting the requirements of the federal 340B statute.

During the spring session, IHA met with pharma multiple times and worked in good faith to address their concerns. In response, HB 2371 SA 2 now requires significant transparency requirements on behalf of the covered entity, including how 340B savings are used to benefit patients; a new study to determine the impact of 340B on Medicaid in Illinois; and required policies to prevent duplicate discounts to protect manufacturers.

Talking Points:

- Thank you for taking the time to discuss the importance of the 340B program to hospitals and House Bill 2371 SA 2, which unanimously passed the Senate and House Executive Committee and is currently awaiting final action in the House.
- Recently, as you know, Congress passed the One Big Beautiful Bill Act (H.R. 1) that makes significant cuts to Illinois’ Medicaid program, and includes provisions that are forecasted by HFS to cost Illinois \$3.5 billion.
- This means hundreds of thousands of Illinois residents are at risk of losing healthcare coverage. However, they will continue to turn to their local hospitals, who will provide the care their patients need—without reimbursement for those services.
- In effect, the cost doesn’t disappear—it shifts. And that shift lands squarely on the shoulders of hospitals, many of which are already stretched to the brink due to increased labor, drug and supply costs coming out of COVID.
- Make no mistake that hospitals will have to drastically reduce services and some may be forced to close.
- At the same time, Big Pharma walked away with a \$5 billion windfall from the One Big Beautiful Bill Act. Clearly, Big Pharma can afford to maintain the status quo and provide discounted drugs to hospitals that are serving the very people H.R. 1 was designed to hurt.

340B Background

- The 340B program was created in 1992 under President Bill Clinton. This program was designed as a safety net to “stretch scarce federal resources” for the benefit of patients who need it most, by providing financial support to providers that serve a disproportionate number of low-income patients.

- It requires pharmaceutical manufacturers to sell drugs to covered entities, such as hospitals and FQHCs, at a discount. Covered entities are then required to utilize those savings and then reinvest them back into their services.
- The program was later expanded under President Barack Obama under the Affordable Care Act as a way to provide additional resources to hospitals that serve a high number of low-income patients.
- More than half of Illinois' current 340B providers are eligible due to that expansion.
- In Illinois, 70% of 340B hospitals are either a Safety Net Hospital or a Critical Access Hospital. In total, Illinois 340B hospitals provided 1.5 million Medicaid inpatient days in 2024. These are the hospitals truly providing care to the state's most vulnerable residents.
- In 2020, pharmaceutical manufacturers, many of them based in foreign countries, started restricting the way hospitals and FQHCs have operationalized this program in terms of distributing 340B drugs.
- Specifically, pharma restricted providers' ability to distribute 340B drugs through multiple pharmacies, despite federal guidance allowing providers to do so. Instead, they want to require providers to distribute drugs through only one pharmacy, which greatly reduces hospitals' ability to capture 340B savings.
- As you can imagine, this has had a significant financial impact on hospitals and FQHCs and has limited their ability to use the program as intended by Congress.
- **Hospitals should describe:**
 - ***How you use your 340B savings, providing specific examples of services or expansion of services, and how they impact your patients and community. Include information on programs that provide low- or no-cost drugs to patients if applicable.***
 - ***How Big Pharma is restricting your use of contract pharmacies, and how these restrictions are impacting services or patients access to care.***

Advocacy Appeal

- We are simply seeking the status quo. Our legislation, which is similar to legislation now passed in 19 states and upheld by various courts, seeks to stop manufacturers from the restrictions they arbitrarily implemented in 2020. That's it.
- During the spring session, we met with pharma multiple times and worked in good faith to address their concerns. That is why the bill now requires significant transparency requirements on behalf of the covered entity, including how 340B savings are used to benefit patients; a new study to determine the impact of 340B on Medicaid in Illinois; and required policies to prevent duplicate discounts to protect manufacturers.
- Despite pharma's remaining opposition, it is critical that the House pass HB 2371 during the fall veto session.

- We know the recently passed federal cuts to the Medicaid program will have a detrimental impact on the hospitals serving our state's Medicaid population.
- The intent of the 340B program is for providers to "stretch scarce federal resources" and we know those resources are about to become drastically scarce.
- Passing HB 2371 SA 2 is a way to support our state's healthcare providers without any state spending whatsoever.
- And that's why we are asking you to support HB 2371 SA 2, and we need you to encourage Speaker Welch and House leadership that it be called for a vote during the fall veto session.