



Board of Directors

May 30, 2025

President

Kathy Oubre

Treasurer

Kyle Kitchen

Board Member

Tammy Chambers

Board Member

Lynette Garcia

Board Member

Lekan Ajayi

Board Member

Syed Zia Khan

Executive Director

Alexandria Hafler

RE: Negative Impacts of 340B Program Expansion on Illinois Oncology Patients & Providers

Dear Honorable Members of the Illinois Legislative Black Caucus and Legislative Latino Caucus,

The Coalition of Hematology and Oncology Practices (CHOP) supports independent community hematology and oncology practices across the country. As president of CHOP, I write to share a recent blog authored by Dr. Gary Kay, an oncologist and internist at Northwest Oncology & Hematology in Rolling Meadows, and Maimah Karmo, founder and CEO of Tigerlily Foundation, which highlights how patients and local oncology practices in Illinois are suffering due to a lack of meaningful transparency in the 340B Drug Pricing Program. Expanding 340B will allow large hospital systems and middlemen to continue generating significant profits through abuse of the program while vulnerable patients fail to receive the intended benefits. Moreover, expanding 340B without meaningful reforms to address these profiteering practices works against Governor JB Pritzker's own efforts to address the negative impact of pharmacy benefit managers (PBMs) on patients and local pharmacies.

The 340B program was established with the intent of supporting low-income and uninsured patient access to medicines by allowing participating clinics and hospitals to purchase drugs at steep discounts from manufacturers. In turn, "covered entities" are expected to use these discounts to provide care to their communities. However, a lack of meaningful transparency in 340B allows large hospital systems to generate significant profits from 340B by purchasing medicines at a discount and charging patients marked-up costs. This ability to earn revenue from the 340B "spread" is also driving for-profit chain pharmacies and middlemen to increasingly contract with 340B hospitals, recognizing their ability to exploit the program to pad their own bottom lines.

Data shows that Illinois 340B hospitals provide rates of charity care below the national average, while contract pharmacies eager to take their cut of the profit seek out sites in wealthy neighborhoods and away from the low-income patients 340B is designed to help. 50% of Illinois 340B pharmacies supposedly serving the poor are located in affluent neighborhoods in the state.

In recent years, 340B hospitals have increasingly acquired independent practices and left communities with fewer healthcare options, forcing patients to seek care at more expensive sites and abandon trusted healthcare providers. At CHOP, our mission is to support community oncology practices and we are concerned that 340B-driven consolidation is interfering with cancer patients and the providers dedicated to supporting them and their families.

Thank you for your attention to these concerns. To protect access to healthcare for patients living with cancer, including the communities of color disproportionately impacted by this disease, more meaningful accountability and transparency in 340B is vital. On behalf of the communities that CHOP advocates on behalf of, we urge you to reject legislation that expands the 340B program and instead advance efforts that instill meaningful transparency into the program so that patients can access the treatments they need.

Sincerely,

Kathy Oubre, MS
President

Kyle Kitchen, PharmD, BCACP
Treasurer

Tammy Chambers
Board Member

Lynette Garcia, RN BSN OCN
Board Member

Lekan Ajayi, PharmD, MBA
Board Member

Zia Khan, PharmD, BCSCP
Board Member