



February 25, 2026

Senator Erin Murphy
95 University Ave W
Minnesota Senate Building, Room 3113
St. Paul, MN 55115

Representative Lisa Demuth
Centennial Office Building, 2nd Floor
St. Paul, MN 55115

Dear Majority Leader Murphy and Speaker Demuth:

On behalf of the Pharmaceutical Industry Labor-Management Association (PILMA), a labor-management partnership representing unions and biopharmaceutical companies, we write regarding SF3769/HF3609 and proposed changes affecting Minnesota's oversight of the federal 340B Drug Pricing Program.

While the original intent of the 340B program was to support safety-net providers serving vulnerable patients, the program has expanded significantly with limited transparency or accountability. Evidence shows that expansion of 340B has contributed to higher costs in employer-sponsored coverage, including union Taft-Hartley plans, which have experienced an estimated \$1 billion in additional costs due to program distortions.

When large hospital systems and contract pharmacies generate revenue through 340B without clear requirements that savings be passed directly to patients, the burden shifts to working families and the employers who fund their coverage.

We respectfully urge reconsideration of SF3769/HF3609. Further expanding 340B at the state level, while the program continues to grow without meaningful federal oversight or transparency, risks unintended consequences for working men and women across Minnesota. PILMA believes that 340B is a federal program and should be addressed through clear, consistent federal regulation rather than a patchwork of state-level policies.

Thank you for your attention to this important issue.

Sincerely,

A handwritten signature in blue ink, appearing to read "AJ Stokes". The signature is fluid and cursive, with a large initial "A" and "S".

AJ Stokes, Executive Director
Pharmaceutical Industry Labor-Management Association (PILMA)