



March 23, 2026

The Honorable Kathy Hochul  
Governor of New York State  
NYS State Capitol Building  
Albany, NY 12224

The Honorable Carl Heastie  
Speaker of the Assembly  
LOB 932  
Albany, NY

Dear Governor Hochul and Speaker Heastie,

At Patients Rising, our mission is to ensure that patients are informed, visible, and influential in the policy decisions that shape their health care. As you continue negotiations on the New York State budget, we respectfully urge you to exclude the Senate's proposed expansion of the federal 340B Drug Pricing Program from the final budget agreement.

The 340B program was created to help safety-net hospitals and clinics purchase medicines at significant discounts so they could better serve patients in need. It was designed to improve access to care for vulnerable populations. However, the current proposal does not belong in the budget process. The program is too large, and the issues surrounding it are too complex, to be addressed without full transparency, thoughtful debate, and meaningful stakeholder engagement.

The scale of the program underscores this concern. The 340B program is now the second-largest federal prescription drug program, behind only Medicare Part D. Discounted purchases through the program grew from \$66.3 billion in 2023 to \$81.4 billion in 2024—an increase of 23% in just one year.

Despite this growth, there is limited public visibility into how these resources are used. Hospitals are able to purchase medicines at deeply discounted prices while billing insurers and patients at standard reimbursement rates. In many cases, the difference becomes revenue for the hospital. Patients are rarely informed whether their medication was purchased through the 340B program or whether they received any direct financial benefit from those discounts.

Independent analyses also raise concerns about how the program is being implemented in New York. Hospitals participating in 340B maintain nearly 1,700 contract pharmacy arrangements across the country, including many outside the state and many located in more affluent areas rather than underserved communities. For the top five hospitals, up to 34% of their contract pharmacies are located outside of New York.

At the same time, New York 340B hospitals provide, on average, less charity care than hospitals nationwide.

Taken together, these issues highlight the need for careful legislative review and meaningful reform to ensure the program is serving the patients it was intended to help. If the Legislature seeks to strengthen the 340B program, a more appropriate approach would focus on transparency and patient benefit. Requiring hospitals to report on 340B savings and how those savings support patient care would be an important first step.

Budget negotiations are not the right venue to make significant healthcare policy changes without thorough review. For that reason, we respectfully urge you to remove the Senate's 340B expansion language from the final budget and allow for a more deliberate and transparent process moving forward.

Thank you for your leadership and for your commitment to ensuring healthcare policy decisions in New York prioritize transparency, accountability, and, most importantly, patients.

Sincerely,



Terry Wilcox  
Co-Founder & Chief Mission Officer  
Patients Rising

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CC:  
Majority Leader Crystal D. Peoples-Stokes  
Megan Baldwin, Deputy Secretary of Health  
Jessica Cherry, Deputy Counsel to the Governor  
Edgar Santana, Executive Deputy Secretary to the Governor