

# 340B Drug Pricing Program



**For 30 years, the 340B Program has provided critical resources that enable Community Health Centers (CHCs) to deliver affordable and accessible health care services to the most underserved and vulnerable communities.** The 340B Program allows health centers to purchase outpatient medications at lower prices. Health centers reinvest the savings into activities that further the mission of improving patients' lives, as required by health center grants. These savings enable each health center to meet the unique needs of their communities, like dental care, behavioral health, specialty care, interpretation services, food banks, housing support, and co-pay assistance programs.

Community Health Centers are working to **increase access to affordable health care and life-extending, life-saving medications.** Unfortunately, over the last three years, health centers have lost mission-critical 340B savings while the Health Center Program hit a historic record of 30 million patients. The 340B statute's silence has created instability in the program causing health center patients to be at risk of losing access to affordable and comprehensive health care services.

Some have questioned the purpose and impact of the 340B Program, but even the program's most ardent skeptics recognize that health centers use the program correctly. **With over 90% of health center patients at or below 200% of the Federal Poverty Level,** there is no question that health centers exemplify the type of safety net program the 340B Program was intended to support.

## By law, all health centers:

Must be located in a medically underserved area or designated population by Health and Human Services (HHS) and deliver comprehensive primary care to those surrounding communities.

Must reinvest 340B savings into activities that further the objectives of the Health Center Program, like expanding health care services and addressing social drivers of health.

Have programmatic and reporting transparency subject to federal oversight through the Health Center Program.

Provide sliding fee discounts to eligible patients for health care services and affordable medications, when feasible.

Health centers use 340B drug discounts to provide uninsured and underinsured patients access to affordable medicines for chronic conditions such as diabetes and asthma. **We need Congress to take action and reform the 340B Program to ensure we can continue to serve our nation's most vulnerable patients.**

## How You Can Help

The impact of contract pharmacy restrictions and ongoing abuse by Pharmacy Benefit Managers (PBMs) has forced health centers to develop new core principles for reforming the 340B Program. Health centers and their patients cannot afford more restrictions or PBM discriminatory contracting. **We urge Congress to amend the 340B statute to protect access for the true safety-net providers.**

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## Core Principles For 340B Reform

Health centers believe **it's time to reform the 340B Program** to recognize the complexities of today's healthcare system and ensure that true safety-net providers continue to have **access to critical resources for America's most vulnerable and underserved patients**. These core principles reflect a new vision for the 340B Program to move towards more stability, accountability, and transparency while centering access to affordable health care and medication. These changes are designed to work together to realign the program and put it on a sustainable path for the future.

**1**

**Preserving** the 340B Program to protect its true intent to help support safety net providers serving low-income and vulnerable patients. The 340B Program needs stability so safety-net providers can effectively care for patients that otherwise would not have access to affordable healthcare services and the medications on which they depend.

**2**

**Reforming** 340B eligibility to remove covered entities that do not uphold their obligation to provide affordable health care services and medications to significant amounts of safety-net patients and underserved communities.

**3**

**Incorporating** a contract pharmacy policy into the 340B statute to create consistency and safeguards for compliance and accountability. For instance, outlining statutory requirements for contract pharmacies to protect against abusive practices and ensure vulnerable patients benefit from the program.

**4**

**Establishing** transparency and accountability requirements to increase federal oversight by mandating covered entities to report basic 340B information to ensure the program's integrity.

**5**

**Create** statutory requirements for Health Insurers and Pharmacy Benefit Managers to prohibit discriminatory practices that divert 340B savings to for-profit companies and away from safety-net providers and vulnerable patients.