

340B Prescription Drug Program



Thursday, November 18, 2021

Who Do Health Centers Serve?

health centers now serve more than

28 million patients

including:

2.9 million
patients 65 years
and older

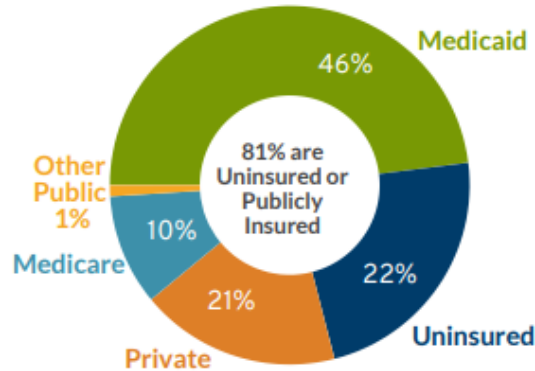
Almost 8 million
children

1.3 million
homeless patients

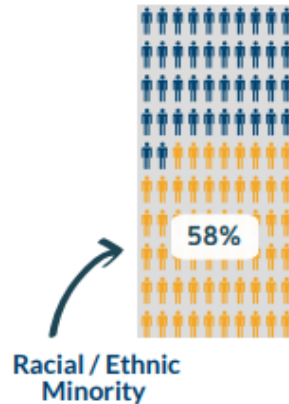
Almost 400,000
veterans

182,000
patients receiving
MAT for opioid use
disorder

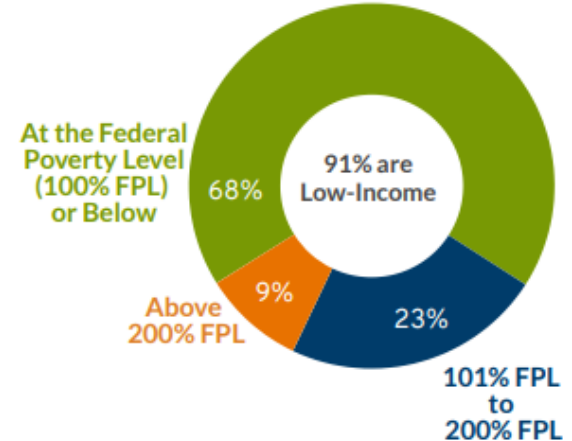
Most Health Center Patients
Are Uninsured or Publicly
Insured



Most Health Center Patients
Are Members of Racial &
Ethnic Minority Groups



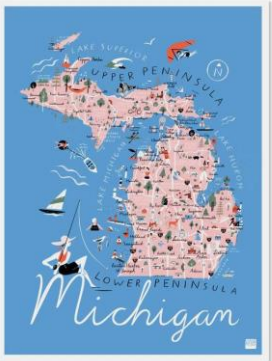
Most Health Center Patients
Have Low-Incomes



340B – History and Background



- **340B Program established in 1992** in the federal Public Health Service Act to require manufacturers to sell drugs at a discount to “covered entity” providers
- **Congress:** The purpose of the 340B Program is “to stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.”
- **Participating providers** include federally Qualified Health Centers (FQHC), Ryan White Clinics, critical access and DSH Hospitals; all must treat a high number of low-income or rural patients to be eligible for the program
- **Federal Program Requirements:** All 340B participants operate under strict federal guidelines governing the program:
 - Registration and recurring recertification
 - Subject to federal audits
 - Must work to avoid duplicate discounts on a single drug
 - Ensure appropriate use of 340B savings



340B Snapshot

- *“The 340B program is essential not only to keep the pharmacy afloat but to hire additional Community Health Workers to go out into neighborhoods to promote healthy living and ensure the patients are keeping their appointments or to offer pregnancy centering programs for expectant mothers. We even used some of the pharmacy 340B savings to help purchase a mobile medical unit.” –Michigan*
- *“340B is enabling us to subsidize additional care services including mammography, prescription delivery and Hepatitis C treatment.” –West Virginia*

Discriminatory Payer Policies & State Responses

340B Hospitals & the Health Care Safety Net

- 340B hospitals care for those most in need:
 - 340B hospitals provide 60% of uncompensated and unreimbursed care in the country
 - 340B hospitals provide 75% of all inpatient care for Americans on Medicaid
 - 340B hospitals represent only 47% of acute care hospitals
- 340B hospitals offer services that are often either under-reimbursed or not reimbursed:
 - Transportation and translation services that are vital for health equity
 - Medication Management Therapy to help patients understand and take their medications and get well
- Many small rural hospitals rely on their 340B benefit to stay open at a time of record closures

Discriminatory Payer Policies

- Over the last several years, some commercial payers have reduced reimbursement for 340B providers and/or established other discriminatory contractual terms
- These actions divert resources from the safety net to corporations that do not meet 340B's strict eligibility requirements for treating patients with low incomes or that live in rural areas

States Take Action

Common prohibitions included in state laws:

- (1) Lower reimbursement
- (2) Fees, chargebacks, or other assessments
- (3) Claim identification
- (4) Claim reversal and resubmission
- (5) Network participation
- (6) Patient choice

States Take Action (cont'd)

- Federal law doesn't address commercial payer policies
- No legal or public policy rationale for treating 340B claims differently than non-340B claims
- 14 states to date have enacted anti-discrimination laws: AR, GA, IN, MN, MT, NC, ND, OH, OR, SD, TN, UT, VT, WV
 - Other states are considering such laws
- **Model 340B anti-discrimination state legislation could help states develop their own laws and ensure consistency among state laws**

Contact Information

Maureen Testoni

President and CEO

340B Health

maureen.testoni@340bhealth.org

202-552-5860