

# 340B Program



**For over 30 years, the 340B Program has provided critical resources enabling Community Health Centers to deliver affordable and accessible healthcare 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. This contribution to their operating margin enables 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-saving medications.** Unfortunately, over the last three years, health centers have lost mission-critical resources from the 340B program, while the Health Center Program hit a historic record of more than 31 million patients. The 340B statute's ambiguity has created instability in the program, causing health center patients to be at risk of losing access to affordable and comprehensive healthcare services.

**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 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

- **Support the 340B ACCESS Act (HR 8574),** introduced in the House of Representatives by **Reps. Larry Bucshon, MD (R-IN), Buddy Carter (R-GA), and Diana Harshbarger (R-TN).** This legislation **clarifies the intent of the 340B program, codifies contract pharmacy authority, and ensures 340B's long-term viability as a critical resource for Community Health Centers and their patients.** We urge Congress to pass this important legislation to protect 340B access for true safety-net providers.

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## Key Provisions in the 340B ACCESS Act

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. The 340B ACCESS Act** will move the 340B program 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

**Ensures** that 340B prescriptions are offered to patients at a discount. Participating hospitals must implement a sliding fee scale for certain patients. Health centers will continue to support access to medicines consistent with their grant's scope that qualifies them for the 340B program and ensure their patients are not denied access to medicines based on their ability to pay.

2

**Codifies** contract pharmacies into the 340B statute to widen and enhance patient access to affordable medications. This also helps create consistency and safeguards for compliance and accountability. Grantees, including health centers, would be allowed an unlimited number of contract pharmacies, including specialty pharmacy and mail order pharmacies for patients in their service area.

3

**Creates** statutory requirements for health insurers and PBMs to prohibit discriminatory practices that divert 340B resources to for-profit companies and away from safety-net providers and vulnerable patients. It also protects against excessive fees by for-profit entities like TPAs and contract pharmacies.

4

**Establishes** transparency and accountability requirements to increase federal oversight by mandating covered entities to report basic 340B information to ensure the program's integrity. Furthermore, it creates a national, neutral clearinghouse capable of receiving de-identified Medicare, Medicaid, and commercial claims data to verify 340B claim eligibility.

5

**Reforms** 340B eligibility by creating consistent standards that hold all 340B stakeholders accountable for providing affordable health care services and medications to vulnerable patients and underserved communities.

6

**Strengthens** the 340B patient definition. A patient must be seen by a provider employed by/contracted with the covered entity and be seen in-person at least once every two years (for grantees and small rural hospitals). There must also be a consistent responsibility for care that reflects a direct connection between the patient's medical condition and the services being provided or managed (through permitted referrals).