

# Threats to Access to Affordable Prescription Medications & the 340B Drug Discount Program

*Pharmaceutical manufacturers are taking a “death by a thousand cuts” approach to dismantling the federal 340B drug discount program, threatening underserved patients’ access to low-cost prescriptions and other needed care.*

## THREAT #1: Refusals to Send 340B Drugs to Pharmacies Partnered with Health Centers

- **Manufacturers are severely restricting patient access to prescription drugs**, including medication needed to manage common chronic conditions like diabetes, high blood pressure, and asthma, by refusing to send 340B-priced drugs to pharmacies partnered with Community Health Centers (CHCs). This is dangerous and unacceptable.
- This overreach hinders CHCs ability to provide for comprehensive care that keeps patients healthy and costs down.

## THREAT #2: Demands for Data Dumps Delay Access to Care and Lay the Groundwork for Predatory Contracting

- CHCs are **already subject to rigorous reporting** standards set by federal government to protect program integrity and promote transparency. We are accountable by law and driven by mission.
- Drug makers are demanding that CHCs submit data to third party health tech companies or risk their access to 340B-priced drugs. These thinly veiled attempts to extract data **raise privacy concerns, delay access to care, and pave the way for predatory purchasing agreements** aimed at growing profits by avoiding discounts to safety net providers.

## THREAT #3: “Pickpocketing” Eats into Funds Meant to Keep Down the Cost of Prescriptions and Other Care

- Increasingly, **340B savings intended to be invested into the care CHCs provide to the underserved is drained away by third party entities**, like pharmacy benefits managers, through administrative fees and chargebacks.
- Congress established 340B to stretch scarce federal resources. **As required by law, 340B-generated savings cover the cost of medications for the uninsured and underinsured, and are reinvested into underfunded services** like substance use treatment, adult dental care, and HIV/AIDS programs.

## THREAT #4: Converting Program from Front End Discounts to Back End Rebates Would Disrupt Patient Care

- Converting the 340B from a front end discount to a back end rebate would completely **upend the cash flow and operations of non-profit Medicaid providers caring for marginalized populations during a global pandemic** which has disproportionately impacted the minority communities we serve.
- CHCs have proven to be good stewards of the 340B program – maximizing program funds to offer low to no cost prescription drugs to the uninsured and underinsured and expanding access to other needed care.

## THREAT #5: President’s Executive Order

- Requiring CHCs to charge patients acquisition price **could force many diabetic patients to pay more for insulin** than they currently pay. CHCs already utilize the 340B program to offer low to no cost to prescription drugs to the uninsured and underinsured – the Executive Order is unnecessary.
- The President’s misguided Executive Order on Access to Affordable Life-saving Medications could have the exact opposite of the intended effect, **subjecting patients to higher costs and price fluctuations**.

## Timeline of Recent Threats to 340B Program



