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 340Bpriced 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

September 1, 2020

Eli Lilly will no longer ship some 340-priced drugs to contract pharmacies. Centers w/o in-house pharmacies limited to 1 contract pharmacy - regardless of service area.

September 21, 2020

Federal HHS sends letter to Eli Lilly that its actions are under review.

October 21, 2020

NACHC files suit in response to recent drug manufacturer attempts to dismantle 340B.

July 24, 2020

President issues Executive Order

August 14

Merck sets deadline for turning over data to health IT vendor, Second Sight Solutions, or risk unspecified consequence s.

September 14, 2020

More than half of House signs bipartisan letter asking HHS Sec. Azar to take action to ensure 340B discounts for covered entities.

October 1, 2020

AstroZeneca, Sanofi, & Novartis will no longer ship 340priced drugs to contract pharmacies, or risk "adverse consequence s" including refusal to ship drugs to contract pharmacies (Sanofi).

October 30, 2020

Novartis reverses policy; agrees to uphold 340B discounts for CHCs, some other covered entities.