



Carolina Health Centers, Inc., South Carolina

January 2025

The 340B Program: Ensuring Patient Access to Affordable Medications

The 340B Program Provides Community Health Center (CHC) Patients with Affordable Medications and Access to Essential Services

High-cost medications are a barrier for CHCs to care for their patients, with 90% of CHC patients having low incomes.¹ When patients can't afford their medications, chronic conditions like diabetes, hypertension, asthma, and depression go unmanaged and become more severe.

The 340B Program was created to enable safety-net providers like CHCs to provide their patients with access to affordable medications. CHCs also reinvest savings from the program into essential primary care services, including mental health and SUD treatment, dental care, and enabling services like nutrition and exercise counseling for all patients, regardless of insurance status or ability to pay. For over 30 years, the 340B program has enabled CHCs to deliver affordable, effective, and comprehensive primary and preventive care to patients who need it most.

The 340B Program was created to support patients who rely on safety-net providers like CHCs:

- **Medically Underserved Communities** are the core of the CHC program. All CHCs must provide care in a federally designated medically underserved area or population.²
- **CHCs are nonprofit organizations.** Any savings to the CHC from the 340B program must be reinvested back into patient care.
- **Transparency is built in to the CHC program.** Unlike other 340B participants, CHCs already follow reporting requirements subject to federal oversight.
- **CHCs serve all patients in need,** regardless of income or insurance status, using an income-adjusted, sliding-fee schedule. 340B ensures CHC patients have access to discounted medications, without the CHC covering a financial loss.

“

If I had to pay full price for these medications, I wouldn't be able to afford them, and my health would be at risk. Without 340B, I would have to go against my doctor's advice and choose which medication I would buy that month or take it every other day to spread out my supply. This is my reality and the reality of so many other individuals who need to take lifesaving medications every day. For my health center providers who work with me and my pharmacy to ensure my medications can be covered under 340B... We must do more to protect and support this program.

”

PERLA HERRERA, BREAST CANCER SURVIVOR, CONSUMER BOARD MEMBER, ACCESS COMMUNITY HEALTH NETWORK, CHICAGO, IL

Ms. Herrera suffered a stroke and takes blood pressure and cholesterol medication, in addition to five other medications to manage the aftereffects of her breast cancer treatment. A six-month supply of just one of Perla's medications costs \$1,375.30 – after insurance. With 340B and insurance, she only pays \$4.50 for that medication.

Instability of the 340B Program Threatens Patients' Access to Care

Ambiguity in the 340B statute has created systemic instability, with no accountability for actions that don't align with the intent of the program to support true safety-net providers and their patients.

Over the last five years, CHCs have lost critical resources from the 340B program, jeopardizing patients' continued access to affordable medications and comprehensive primary care services.

Action from Congress is Needed to Protect 340B for CHC Patients.

It's time to reform the 340B Program to recognize the complexities of today's health care system and ensure true safety-net providers have the resources to provide affordable medications and services to patients in need.

In 2025, Congress can take action to support comprehensive 340B legislation that protects the viability of the program and addresses CHC policy principles.

Proposed Principles for 340B Reform:

- 1 Access to Affordable Medications:** 340B ensures patients at CHCs can access life-saving, affordable medications. Reforms must preserve access and prohibit restrictive policies or rebate models.
- 2 Patient Eligibility:** Reform must define eligibility based on the CHC-patient relationship, covering both in-person and virtual care, and recognizing CHCs as health care homes for comprehensive primary care and enabling services.
- 3 Contract Pharmacy Access:** Reform must ensure CHC patients can obtain discounted medications from their preferred pharmacy, including contract pharmacies that address transportation barriers, especially in rural areas.
- 4 PBM Reform:** Prevent Pharmacy Benefit Managers (PBMs) and for-profit entities from using discriminatory practices that harm patient access or choice.
- 5 Program Authority:** Strengthen HRSA's authority to govern 340B, enforce accountability, and align practices with program goals. Allow states to enhance protections and program sustainability within federal guidelines.

“ Because the 340B program enables us to make prescription medication affordable for even our most vulnerable patients, we are saving lives.

”
SUE VEER, MBA,
PRESIDENT AND CEO
OF CAROLINA HEALTH
CENTERS, INC., SOUTH
CAROLINA

Sources:

¹ **Note:** Low income is defined as at or below 200% of the Federal Poverty Level. The U.S. Census Bureau's poverty threshold for a family with two adults and one child was \$24,526 in 2023.

² Health Resources and Services Administration. Workforce Shortage Areas. <https://bhw.hrsa.gov/workforce-shortage-areas/shortage-designation>