

340B Drug Pricing Program

March 2018



Increased Access for Underserved Patients

Providing Discounted Drugs and Enhanced Services to Those in Need

Background

Providing access to a full range of affordable comprehensive services, including pharmacy services, is a key component of the health center model. Established in 1992, the 340B Drug Pricing Program provides health centers access to outpatient drugs at reduced prices, enabling them to **ensure that all low-income patients have access to affordable prescription drugs.**

Savings from the 340B program are **integral to health centers' ability to sustain ongoing operations.** Due to their slim operating margins, many health centers report that without the savings from the 340B program they would be limited in their ability to support many of their core services for their patients.

The Facts

- **Health centers exemplify the type of safety net program that the 340B program was intended to support.** By law, all health centers:
 - serve only those areas or populations that HHS designates as high need;
 - ensure that all patients can access the full range of services they provide, regardless of insurance status, income, or ability to pay; and
 - **are required to reinvest all 340B savings** into activities that are federally-approved as advancing their charitable mission of ensuring access to care for the underserved.
- Every health center decides how 340B savings can best benefit their patients, often reinvesting savings to **support sliding fee discounts, clinical pharmacy programs, and extended hours of operation** -- ultimately increasing patient access to care and reducing unnecessary costs elsewhere in the healthcare system.
- Health centers **are subject to detailed programmatic and reporting requirements as well as rigorous federal oversight**, guiding their participation in the 340B program.

The Impact

The 340B program helps Community Health Centers stretch limited federal resources to expand services and reach more patients using cost-effective approaches that reflect the unique needs of their community. **This improves the quality and scope of care that health centers deliver.**

Our Request:

When considering 340B program proposals, Congress should:

- Preserve health centers' ability to stretch scarce federal resources through **continued access to the 340B program**; and
- Take into account that health centers have **unique requirements and responsibilities that guide their participation** in the 340B program.