

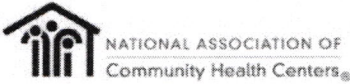


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Protecting 340B Discount Drug Program a Top Priority for National Association

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Protecting the 340B drug discount program, and the benefits it provides for low-income and medically vulnerable patients, has emerged as a top priority for Community Health Center leaders nationally. Citing a series of broadside attacks against the program, President and CEO of the National Association of Community Health Centers (NACHC) Tom Van Coverden said, "Let me be clear -- Community Health Centers cannot and will not, stand by while manufacturers and for-profit third parties line their own pockets at the expense of people affected by COVID-19 and the providers who serve them on the frontlines. Countless lives are at stake."

Recent manufacturer attacks against the program include:

- Severely restricting the number and type of pharmacies to which they will ship 340B-discounted medications, dramatically restricting patients' ability to access them.
- Forcing health centers to turn over data, in perpetuity, that will be used to deprive them of critically needed 340B savings.
- Forcing health centers to pay full sticker price for medications upfront and then deciding if and when to reimburse them for the discounts required under the statute.
- Forcing health centers to incur substantial additional costs in order to make insulin affordable for patients.

In response to the multi-pronged attacks, NACHC is preparing legal action and communicating with supporters in Congress to ensure strong regulatory enforcement by the Health Resources and Services Administration (HRSA) against drug manufacturers that abandon their legal obligations to medically underserved patients. Among those most likely to be hard hit by the manufacturers' tactics are patients who live in rural areas and must drive long distances to access medicines.

Started in 1992, the 340B program gives small, community-based non-profits like health centers access to medication discounts that they could not negotiate on their own. Members of Congress have consistently highlighted health centers as excellent stewards of the 340B program, using the savings it generates as Congress intended -- "to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services."

"For Community Health Centers, 340B discounts make medications and many other services affordable for our 30 million medically-underserved patients," said Van Coverden. "They include people who have lost their jobs and health insurance during this recent economic decline and even essential workers who test positive for COVID-19 but do not require hospitalization. The cost of medicines can easily push them further into poverty, disease, and even death. A pandemic would seem the worst possible time to threaten a critical program

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that makes medicines affordable for the poor. Yet, manufacturers have chosen this time to pick and choose which 340B requirements to follow, and to impose new requirements on health centers in order to save themselves money.”

Many Members of Congress are already taking notice. Leaders from key committees are reaching out to HRSA to express their concerns, and several “Dear Colleague” letters addressed to PhRMA and HHS are currently circulating on Capitol Hill. The letters are sponsored by Rep. David McKinley, (R-WV), Rep. Diana DeGette (D-CO), Rep. Cindy Axe (D-IA), and others. But much more must be done to protect the health and lives of our 30 million patients.

Van Coverden stated unequivocally that, “Unless Congress and HRSA take immediate and strong action, the 340B program may collapse and tens of millions of Americans will see their prescription drug prices skyrocket. For many, especially during a time like this, lack of access to vital medications could very well result in death.”

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Established in 1971, the National Association of Community Health Centers (NACHC) serves as the national voice for America’s Health Centers and as an advocate for health care access for the medically underserved and uninsured.



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The National Association of Community Health Centers (NACHC) was founded in 1971 to promote efficient, high quality, comprehensive health care that is accessible, culturally and linguistically competent, community directed, and patient centered for all.

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