

# NRHA 340B PRIORITIES

The 340B Drug Pricing Program is a lifeline that allows rural safety net providers to stretch scarce federal resources and keep their doors open to provide vital services to their communities. Significant 340B Program restrictions by manufacturers and pharmaceutical benefit managers (PBMs) are hurting already struggling hospitals and clinics.

## Protecting Patients



### PROTECT 340B Act

*Reps. Spanberger (D-VA) and Johnson (R-SD)*

Recently health insurers and PBMs have undermined the integrity of 340B for rural providers. This legislation would protect the lifeline program by prohibiting insurers and PBMs from discriminating against 340B covered entities or their contract pharmacies. Payers and PBMs would be held accountable for treating covered entities differently with regards to reimbursement of fees, patient's choice of pharmacies, and participating in standard or preferred networks.

**H.R. 2534**

### Preserve contract pharmacy access.

Congress must curb manufacturers' restrictions on the number of contract pharmacies that a covered entity may use, which disproportionately constrains access for rural patients. Many rural covered entities are too small to support an in-house pharmacy and must rely upon outside pharmacies. The reality of rural geography is that rural providers have a patient base spread among a large geographic area. This makes maintaining access to unlimited contract pharmacies critical to ensuring rural patients can receive their 340B drugs at a convenient, local location.

**Contract  
Pharmacy**

## Supporting Providers

### DSH Extension

#### Extend DSH waiver for 2 years.

Safety net hospitals were protected from losing 340B status due to changes in their disproportionate share (DSH) thresholds through cost reporting periods in 2022. Now that this protection has ended, more than 400 mostly small, rural hospitals are at-risk of losing eligibility in 2024 because of pandemic-era effects continuing to lower their DSH percentages. Congress must pass legislation to enact a 2-year extension for 340B eligibility protections.

### REH eligibility

#### Add REHs to 340B Program.

The 340B statute lists all entities eligible to participate in the 340B Drug Pricing Program. However, when Congress created the Rural Emergency Hospital (REHs) model it was not added to the 340B statute. Congress must take swift action to add REHs as eligible participants in the 340B program to preserve access to this lifeline for rural safety net hospitals that are interested in converting.

