340B Program

The 340B Drug Pricing Program provides essential savings on outpatient drugs for rural providers serving vulnerable populations who may lack insurance or be low income.

Why it matters: For many rural safety-net hospitals and Federally Qualified Health Centers (FQHCs) operating on thin financial margins, savings generated through 340B are critical to maintaining operations and providing essential services.

Rural Provider Types Eligible for 340B

Critical Access Hospitals, Sole Community Hospitals (SCH), Rural Referral Centers (RRC), rural acute care hospitals, and FQHCs

SCHs and RRCs must have disproportionate share percentage of ≥8%
Other rural prospective payment system hospitals must have disproportionate share percentage of ≥11.75%

How 340B savings benefit rural patients

- Free or discounted medications, including free vaccines
- Sustain access to essential services, in facilities with high levels of uncompensated care, like:
  - Free behavioral health services
  - Obstetric care
  - Medication management
- Enhanced community health programming

Current challenges for rural 340B covered entities

- Erosion of 340B savings due to contract pharmacy restrictions by manufacturers
- Orphan drug exclusion
- Onerous reporting requirements
- Manufacturers rebate models
- Threats to disproportionate share hospital participation from Medicaid cuts

National Rural Health Association

www.ruralhealth.us/advocate
@nrha_advocacy

Legislative Priorities

H.R. 10937

PROTECT 340B Act

Reps. Matsui (D-CA), Mann (R-KS)

Prohibits discrimination against 340B covered entities or their contract pharmacies by payers and PBMs, creates a third-party clearinghouse for duplicate discounts, and ends the 340B Rebate Model Pilot Program

S. 2372/ H.R. 4581

340B PATIENTS Act

Sens. Welch (D-VT), Merkley (D-OR); Reps. Matsui (D-CA), Trahan (D-MA)

Clarifies that manufacturers are required to offer 340B discount prices to covered entities regardless of manner or location drug is dispensed, ensures that manufacturers cannot place conditions on the ability of a covered entity to purchase and use 340B drugs regardless of the manner or location in which the drug is dispensed, and imposes civil monetary penalties on manufacturers that violate these statutory requirements and prohibition.

H.R. 10770

340B Rebate Model Delay Act

Reps. Bresnahan (R-PA), Dingell (D-MI), Mann (R-KS), and Frankel (D-FL).

Delays the proposed 340B Rebate Model Pilot Program for two years, allowing Congress time to consider recently introduced bipartisan, comprehensive 340B reform bills.

H.R. 44

Rural 340B Access Act

Reps. Bergman (R-MI), Dingell (D-MI)

Make eligible the newly established Rural Emergency Hospital (REH) designation for the 340B program.

H.R. 7391

Community Health Center Drug Pricing Protection Act

Reps. Bergman (R-MI), Auchincloss (D-MA)

Exempts federally qualified health centers from any future 340B rebate models and protects the 340B ceiling price for these critical safety net providers.