Support the 340B Drug Savings Program

Action Needed
The 340B Drug Savings Program is essential to helping safety-net providers stretch limited resources to increase service to their patients and communities. The state can implement legislation to keep pharmacy benefit managers from discriminating against 340B entities by requiring additional data or fees that are not required of non-340B entities.

Since 1992, the 340B Drug Pricing Program has provided financial help to safety-net hospitals in managing rising prescription drug costs. Section 340B of the Public Health Service Act requires pharmaceutical manufacturers participating in Medicaid to sell outpatient drugs at discounted prices to health care organizations that care for uninsured and low-income patients. These organizations include critical access hospitals, sole community hospitals, rural referral centers, children’s hospitals, and public and nonprofit disproportionate share hospitals that serve low-income and indigent populations.

More than 75 community hospitals have registered with the U.S. Department of Health and Human Services, Health Resources and Services Administration in Kansas to participate in the 340B program. According to HRSA, enrolled hospitals and other covered entities can achieve average savings of 25 to 50 percent on pharmaceutical purchases.

KHA urges state policymakers to reject any changes to the 340B program that would hurt patients and communities. Many 340B hospitals are the safety net for their communities. The program generates valuable savings for eligible hospitals to reinvest in programs that enhance patient services and provide needed access to care.

Bottom Line:
Many Kansas hospitals serve a disproportionate share of low income and indigent populations. To help these individuals, hospitals enroll in the 340B Drug Savings Program to receive prescription drug savings of 25 to 50 percent. These savings are then pumped into services that improve patient care and access.