

## PROTECT THE 340B DRUG DISCOUNT PROGRAM

Missouri's hospitals and others oppose the recent efforts of pharmaceutical manufacturers to limit the breadth of the 340B drug discount program.

A number of pharmaceutical manufacturers have instigated diverse but well-choreographed efforts to upend long-standing 340B practices. Some rely on onerous new demands for data and documentation couched as criteria for payment. Others arbitrarily declare that drug discounts no longer will be provided through contract pharmacies, brazenly attempting to negate by fiat a well-established component of the 340B program.

By unilaterally creating new obstacles to the use of 340B drug discounts to benefit low-income patients, the pharmaceutical manufacturers trim their financial obligations. The "cost" of the 340B program is borne by pharmaceutical manufacturers, not the federal treasury.

We believe their efforts are illicit and unjustified.

The pharmaceutical company forays take different approaches, but they all run counter to both the letter and spirit of the 340B law. In the attached letter, MHA and the Missouri Primary Care Association ask the U.S. Department of Health and Human Services to use its regulatory authority to block them. If the agency fails to do so, Missouri's 340B hospitals urge Congress to step in to protect the integrity and intent of the 340B law.

- Enacted in 1992 and last expanded in 2010, the 340B law requires pharmaceutical manufacturers participating in Medicaid to sell outpatient drugs at discounted prices to safety-net providers, including community health centers and various types of hospitals.
- 66 of Missouri's 140 hospitals participate in the 340B program, distributed as follows in the congressional districts:
  - Clay – 6
  - Wagner – 2
  - Luetkemeyer – 4
  - Hartzler – 9
  - Cleaver – 5
  - Graves – 15
  - Long – 10
  - Smith – 15