

Care for the Common Good

Protect 340B Drug Pricing Program



Trinity Health is one of the largest not-for-profit, Catholic health care systems in the nation, serving diverse communities across 26 states. We advocate for public policies that promote the common good including sustaining our faith-based mission, improving community health, and growing our workforce while addressing the continuously shifting national health care system landscape.

Created in 1992, the 340B Drug Pricing Program provides cheaper drugs to eligible hospitals and clinics that serve low-income and rural patients. Trinity Health supports efforts to ensure that the 340B program meets the objective set by Congress “to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.”

Hospitals participating in the 340B program expend significant resources on compliance with program requirements and changes, including the yearly-recertification process and required randomized audits. Health services provided through 340B savings do not cost taxpayers any money. The services are paid for with the money saved through the price discounts from drug companies.

Savings Support Patient and Community Needs

The 340B program is a vital lifeline for safety-net providers, supporting critical health services in our communities. The program is narrowly tailored to reach only hospitals that provide high levels of service to those experiencing poverty and the vulnerable or that serve isolated rural communities. Elimination of these savings would threaten the hospital’s ability to provide care that patients and communities rely upon to meet urgent and ongoing health care needs.

Patients can receive services such as infusion and chemotherapy in their communities. 340B savings also support unreimbursed services, such as Medication Access Coordinators who assist patients in obtaining free medications through patient assistance programs.

340B savings support programs that address identified and unique needs in each community, including transportation services to bring patients to the hospital for appointments and prevent unnecessary hospitalizations. The savings also support care and education programs for patients and family members including heart health, chronic diseases, grief counseling, smoking cessation, diabetes management and prevention, ostomy and wound care. These services make a significant impact on patients, families and communities and would not be possible at the levels provided without the savings from the 340B program.

Program Under Threat

Efforts by drug companies and pharmacy benefit managers (PBMs) are restricting eligibility and undermining the 340B program.

Several major drug companies have stopped providing—or have imposed restrictions on—340B pricing for drugs that are dispensed through community pharmacies. Others are attempting to impose a rebate model rather than the current upfront discount. These policies are in violation of the 340B statute and drastically cut into savings that 340B hospitals rely on to finance care for those patients experiencing poverty or who are vulnerable. The pharmaceutical industry is advancing profits at the expense of the health care safety net.

Payers and PBMs are implementing discriminatory policies that harm 340B providers, such as paying less for 340B drugs than they pay for non-340B drugs or requiring identification of 340B claims.

Value of the 340B Program

- Trinity Health Michigan – Pharmaceutical Access Program (PAP) provides more than 6,000 uninsured and underinsured patients annually with medication and supplies in west Michigan.
- Mount Carmel Health System – Dedicated Pediatric Pharmacist Specialist provides expanded neonatal intensive care unit care in Columbus, Ohio.
- Trinity Health Of New England – Health Care for the Homeless program delivers health and social services in Springfield, Mass.
- Saint Alphonsus – Rides 2 Wellness program provides transportation to health care appointments in Boise, Idaho.

Protect the 340B Program

What Can Policymakers Do?

Preserve the 340B Drug Pricing Program

Trinity Health urges Congress to protect the 340B program and oppose efforts that restrict access to care for vulnerable patients. Any attempt to scale back or undermine the 340B program will harm the patients in greatest need.

Policy Recommendations:

- Strengthen the 340B statute by clarifying that unilateral drug company restrictions on 340B pricing are unlawful, including restrictions on contract pharmacy.
- Oppose attempts to require mandatory rebates on 340B drug purchases instead of the current upfront discounts.
- Oppose legislative efforts that restrict 340B eligibility and add unworkable reporting requirements.
- Prevent discriminatory actions by payers and PBMs against 340B entities in the form of reduced payments, exclusion from networks and burdensome reporting requirements.

Mission

We, Trinity Health, serve together in the spirit of the Gospel as a compassionate and transforming healing presence within our communities.

Core Values

Reverence • Commitment to Those Experiencing Poverty
Safety • Justice • Stewardship • Integrity
