

PRESERVING THE 340B DRUG PROGRAM

CARING FOR VULNERABLE COMMUNITIES ACROSS CONNECTICUT

For more than 30 years, the federal 340B Drug Program has helped hospitals stretch limited resources to improve lives and support low-income, uninsured, rural, and medically vulnerable communities. Today, as hospitals face growing financial pressures and significant federal policy changes impacting Medicaid, Medicare, and access to health insurance coverage, protecting the 340B program is more critical than ever.

What Is the 340B Drug Program?

The federal **340B Drug Program** requires pharmaceutical manufacturers that participate in Medicaid to sell certain outpatient drugs at discounted prices to eligible healthcare providers like not-for-profit hospitals and federally qualified health centers (FQHCs), generating valuable savings that support patients and communities most in need.

In Connecticut, hospitals qualify for the 340B program because they serve a **disproportionately high number of low-income, uninsured, and underinsured patients**.

How Patients Benefit From 340B Savings

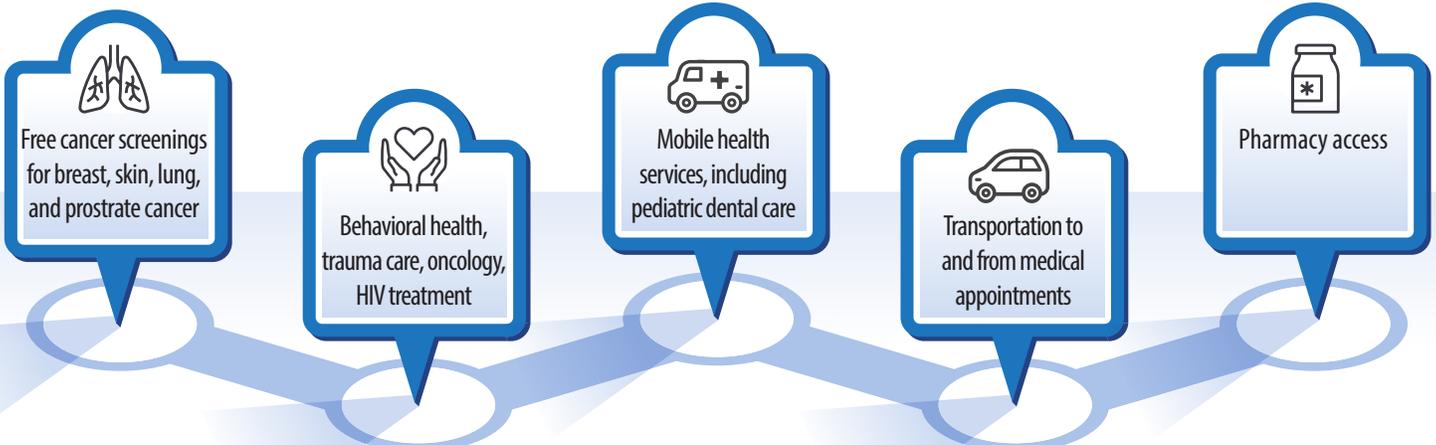
Hospitals use 340B savings to serve patients and communities by **providing free and reduced-cost care** to patients who cannot afford it and **supporting access to essential health services**, including to those patients insured by Medicaid and Medicare. The 340B program is a vital tool that supports hospitals in establishing and maintaining a wide range of initiatives that enhance community health. A well-functioning 340B program means healthier patients, stronger hospitals, and more resilient communities.

In FY 2024, Connecticut hospitals and health systems contributed **\$3.74 billion** in community benefits, including:

- **\$1.46 billion** in unreimbursed care for Medicaid beneficiaries
- **\$1.51 billion** in unreimbursed care for Medicare beneficiaries
- **\$302.5 million** in uncompensated care, including charity care

340B isn't just about lowering drug costs — it helps providers deliver **WHOLE-PERSON CARE, IMPROVE HEALTH EQUITY, and INVEST IN COMMUNITIES** across Connecticut, reaching **COUNTLESS RESIDENTS** and making the greatest difference for **UNINSURED, LOW-INCOME, AND VULNERABLE PATIENTS.**

Health Services AT RISK if 340B Is Weakened



**Examples of ways Connecticut hospitals are utilizing savings from the 340B program to support care delivery*



SMALL PROGRAM, BIG BENEFITS

The discounts provided under the 340B program only account for a small share of drug company revenues – just 3% globally in 2022. That means every dollar derived from 340B savings makes a substantial difference for patients with very little impact on pharmaceutical companies’ bottom line.

WHY ACTION IS NEEDED NOW TO PROTECT ACCESS TO CARE

Congressional and state lawmakers must protect their constituents from policies that would undermine the 340B program and **reduce access to essential services** at the very moment they are needed most.

Opponents are taking actions that **threaten the 340B program**, including attempts to:

- Restructure the program to eliminate upfront discounts and force hospitals to pursue **retrospective manufacturer rebates**, imposing greater financial and administrative burden on hospitals — an effort driven by pharmacy benefit managers (PBMs) and drug manufacturers
- Restrict hospitals’ ability to use **contract pharmacies** to dispense 340B medications, reducing patient access, especially in rural and underserved areas
- Add **rigid reporting** requirements that increase costs and could limit hospitals’ flexibility to use savings to meet unique community needs
- Build legal and regulatory roadblocks that **weaken the program’s effectiveness**

Support an amendment to SB 494, Section 4 to include a definition of “covered entity” as defined in section 340B(a)(4) of the Public Health Service Act to protect the Connecticut patients and communities supported by the 340B Program.

WHAT’S AT RISK IN CONNECTICUT IF THE 340B PROGRAM IS WEAKENED?

- Millions in free care and community investments
- Billions in unreimbursed care for low-income Medicaid and Medicare beneficiaries
- Hundreds of millions in uncompensated care
- Hospitals’ ability to stock vital medications
- Widening health equity gaps due to reduced resources
- Delays in care as screenings and preventive screenings/services are reduced or become unavailable
- The sustainability of hospitals to keep their doors open
- Healthcare affordability and accessibility



Learn more.

Contact CHA Government Relations at (203) 294-7301.

