



Fixing 340B

An edited excerpt of an opinion piece titled “What’s Needed to Fix a Vital Drug Discount Program” by Brandon Macsata, of the ADAP Advocacy Association, and Guy Anthony, of the Black, Gifted & Whole Foundation.

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Thirty years ago, when Congress passed the Public Health Service Act, no one could have imagined that section 340B of the law would become the lightning rod that it is today. The little-known provision created a program to help America’s safety net health care providers bring affordable care and discounted medicines to vulnerable low-income patients.

The initial concept was simple and effective. Pharmaceutical manufacturers provide steeply discounted drugs to hospitals, providers and clinics that serve uninsured and underinsured patients living with HIV/AIDS as well as to safety net providers dedicated to reaching the most vulnerable and underserved communities.

The support that the 340B program provided to Ryan White Clinics and hemophilia treatment centers was critical in addressing the HIV/AIDS crisis throughout the 1990s. Today, when people living with HIV can successfully manage the disease with highly effective therapies, it remains essential.

But the program and the true safety net clinics that rely on it are teetering on the brink of collapse due to statutory silence in key areas. It turns out that some for-profit entities have been unable to resist using significant savings on medicines to boost their profit margins at the expense of the safety net. The for-profit entities dipping into the 340B program’s discounted prescription drugs now include, among others, well-resourced hospitals in wealthier ZIP codes, pharmacy benefit managers and a vast network of contracted pharmacies (also largely located in wealthier ZIP codes).

The reality of how 340B is currently implemented is a clear indication that greater accountability and transparency are urgently needed for the program to work as intended. Government watchdogs and others have exhaustively documented abuses of the program. Indeed, an advocacy group for cancer patients found that hospitals are overcharging patients for a common breast cancer drug.

Patients bear serious consequences as a result of the lack of clarity in the 340B program and safety net providers’ loss of the critical resources they depend on. As organizations that provide

essential services and education for the HIV/AIDS community, we know this program must be better defined if it is to work as intended. We also know that Congress has a central role to play in making that happen.

We can only achieve changes that work in the interest of the safety net if the diverse 340B community works together, rather than at odds with itself. That's where the newly formed Alliance to Save America's 340B Program (ASAP 340B) comes into play. The alliance's 10 policy principles provide a critical foundation for Washington decision makers to change the trajectory of the program and improve administration and oversight at the federal level.

The principles are designed to ensure greater transparency and accountability; determine a "patient definition" with stronger safeguards; establish clear criteria for 340B contract pharmacy arrangements to improve access; prevent middlemen and for-profit entities from profiting off the 340B program; and update and strengthen 340B hospital eligibility requirements.

Inaction will—not could, but will—very soon have serious ramifications on the care that our community receives. Yet despite the diverse organizations that have come to the table to bring about change, not everyone agrees.

Congress and the administration have made it clear that making prescription drugs more affordable should be a major public health priority. Fixing the 340B program can move the needle on that goal, bringing health care affordability to our nation's most underserved patients and communities.