

Protect 340B Prescription Program to Preserve Access to Care for Underserved Patients HB4595 (Harris)

WHAT'S 340B?

- 340B is a federal prescription drug discount program established by Congress in 1992 to “stretch scarce federal resources.” The program enjoys strong bipartisan support.
- Under the program, drug manufacturers are required to offer significant discounts to covered entities – including community health centers (FQHCs) – on prescription medications.
 - *For uninsured patients*, discounts are passed along to ensure medication is affordable and accessible.
 - *For insured patients*, covered entities bill the payer and the difference between the discounted purchase price and the market rate reimbursement generates savings that are reinvested into care.
 - Savings are required to be reinvested into care. Health centers have a long track record of being a good steward of 340B and are subject to strict reporting requirements and auditing.

WHAT ARE THE THREATS TO 340B?

- Pharmacy benefits managers (PBMs) have found creative ways to drain funds from the program – counter to the program’s intent.
- Updates to program guidance in [HFS's June 4, 2021 provider notice](#) jeopardize health centers’ ability to retain 340B savings
- HFS is facing duplicate discount violations for failure to identify 340B claims.

WHAT CAN STATE LEGISLATORS DO TO PROTECT 340B?

- Support [HB4595](#) (Harris) to protect the 340B program and ensure healthcare remains accessible and affordable to Illinois’ 1.5 million health center patients, including 300,000 uninsured patients.
 - Prohibit “pickpocketing” or discriminatory contracting by PBMs and insurers that siphon away 340B savings from covered entities
 - Establish a retrospective claims identification process to help HFS avoid duplicate discounts
- Since 2019, 16 states have passed 340B protection bills, almost all with unanimous or near unanimous support

CURRENT SERVICE CAPACITY CANNOT BE MAINTAINED WITHOUT 340B PROTECTIONS

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