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NETWORK OF KANSAS**
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Low-Income Kansans Rely on 340B Drug Pricing Program

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TOPEKA – The safety net of community health centers across the state provide whole-body care to Kansans, regardless of insurance status or ability to pay. These 19 federally qualified health centers (FQHCs) and one look-alike health center provided medical, dental, mental health, and substance use disorder services to almost 275,000 individuals in 2019 alone. These predominantly low-income patients also receive enabling services such as transportation and case management.

For many, arguably the most valuable service received is access to life-saving prescription medications at little to no cost.

The so-called 340B Drug Pricing Program, created by Congress during the 1990s, requires drug manufacturers to provide discounted pharmaceuticals to health centers and other covered entities – which makes the prescriptions affordable for the patient. In addition, the savings retained by these entities allows them to serve even more patients and to increase comprehensive services at no cost to the taxpayer. By law, every penny of the savings is used on patients.

340B is a successful, accountable program that has strong bipartisan support in Washington to this day.

But it also is one that is under assault by the very pharmaceutical companies that manufacture the drugs.

At least five companies – Eli Lilly, Sanofi, AstraZeneca, Merck and Novartis – are attempting to unilaterally change the terms to which they're legally obligated. In slightly different variations, the pharmaceutical giants are refusing to honor 340B pricing, refusing to ship to contract pharmacies utilized by health centers, imposing arbitrary reporting requirements, or a combination thereof. The companies claim they are attempting to rein in 340B discounts to ensure fiscal integrity of the program.

Health centers are not deserving of such retaliation, however. They are not the problem. Centers across the nation have proven to be excellent stewards of tax dollars and 340B savings. They are nonprofits, accountable by law and audit, and driven by mission – not money.

“We have talked with five of our state’s six members of Congress,” said Denise Cyzman, CEO of the Community Care Network of Kansas of which all 20 health centers are members, “and all of them, Republican and Democratic, are 100% confident health centers are implementing the program with the highest integrity and in accordance with the law.”

In fact, legislative health policy staff from more than one Kansas delegation member's office have been attempting to stop big pharma's attack on health centers and their patients in the midst of the COVID-19 public health emergency. Key supporters from Kansas and elsewhere are working with the National Association of Community Health Centers (NACHC) to find a solution.

One legislative piece was a letter to U.S. Department of Health and Human Services (HHS) Secretary Alex Azar that, signed by more than half of all House members including Representative Sharice Davids, opened with this statement: "The 340B program plays an integral role in ensuring eligible health care organizations have access to vital lifesaving medications. As Members of Congress deeply committed to the important safety net mission of the 340B Drug Pricing Program, it is imperative that immediate action is taken to ensure covered entities continue to receive crucial 340B drug discounts." A similar letter, sent by the Senate, was signed by Senator Jerry Moran.

One of NACHC's intended steps will be a lawsuit against HHS, demanding they simply enforce the regulations that clearly define how 340B works. HHS has expressed "significant initial concerns" with at least Eli Lilly's tactics, adding in a letter to that company it will be watching for "over-charges to grantees and contractors."

The NACHC lawsuit is expected to be filed this month.

The national association of HIV/AIDS clinics, whose members are affected by the same drug company actions, already has filed suit against HHS. Another legal challenge is expected from the American Hospital Association.

During the interim, community health centers and their patients will bear the brunt of the untimely and unfortunate moves by the pharmaceutical companies. Patients are being forced to switch medications if their usual one isn't available. They may need to obtain their medication through a pharmacy miles away, instead of at their community pharmacy down the road. They may need to make the horrible decision between paying for suddenly high-cost medications or buying food. Additionally, health centers also take the financial hit on any prescription that doesn't come with the usual 340B price. The health centers are using valuable resources to plan operational changes that will include reducing services to the patients who need it most.

The impact is frightening. Less patients served. Less services offered. Staff layoffs and increased unemployment. Devastating health outcomes.

All the while, health centers continue fighting on the front lines of the COVID-19 pandemic.

Whether it be HHS, the Health Resources and Services Administration, Congress, state attorneys general from across the country, or direct public pressure on the pharmaceutical manufacturers – swift action must be taken to stop the dismantling of the 340B Drug Pricing Program. The health of Kansas and the nation are depending on it.

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About Community Care Clinic of Kansas: Community Care exists to achieve equitable access to high-quality, whole-person care for all Kansans, regardless of ability to pay. As the Primary Care Association (PCA) for Kansas, Community Care supports and strengthens its members through advocacy, education and communication. Community Care's diverse membership includes Federally Qualified Health Centers (FQHCs), and Look-Alikes (LALs), as well as public and private nonprofit Community-Based Primary Care Clinics (CBPCCs) and Rural Health Clinics (RHCs).