

COMMUNITY HEALTH CENTER GRASSROOTS ADVOCACY DAY

MONDAY, MARCH 2, 2015

EMPIRE STATE PLAZA, ALBANY



340B Program

Request

Reject the Proposed Amendment to the 340B Program in Medicaid Managed Care: Do Not Rely on Cuts to Safety Net Providers to Offset Medicaid Pharmacy Costs

Background

- Federal law permits safety net providers in medically underserved areas, including FQHCs, to **purchase prescription drugs from the government at significantly reduced prices** - often 25% to 50% of the acquisition price.
- Covered entities are then permitted to bill payers at the standard price and **use the “discounts” to serve more patients and expand and improve their services.**
- 340B revenue is used by FQHCs to **cover innovative programs to improve patient care and reduce system costs.**
 - These are exactly the types of programs being promoted by New York’s healthcare reform initiatives.
- The budget proposal would require that 340B providers in Medicaid Managed care be paid cost for qualifying drugs.
 - This change would result in **the State reaping the 340B benefit instead of the intended safety net provider.**
- Cutting 340B revenue while relying on FQHCs and other providers to implement large scale new programs, for which they have yet to receive any funding, is shortsighted.
- Congress enacted the 340B program to “stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.”