



*"340B Hospitals are the
Backbone of the Safety Net"*



340B Audit and Reporting Bills

HB5421/SB3878 - HB4327 - HB4954/SB3146 - HB4953

Background:

- The 340B program enables eligible hospitals to **stretch scarce resources to provide more comprehensive services to more patients**. States are leading the way in safeguarding 340B savings that 340B hospitals use to provide vital patient care. Nearly half of the states have enacted contract pharmacy legislation to protect 340B covered entities from manufacturers' harmful contract pharmacy restrictions.
- **In Illinois, 340B hospitals will be called on to subsidize more care** due to the enactment of H.R.1 (One Big Beautiful Bill) and an increasing number of uninsured and under-insured patients. 340B hospitals will also face financial cuts due to the Inflation Reduction Act, which cuts 340B savings for Medicare negotiated drugs.
- **340B hospitals are already subject to rigorous reporting and auditing to ensure compliance with federal requirements and also undergo annual recertification to demonstrate 340B eligibility.**
- The Health Resources and Services Administration audits hundreds of covered entities each year.
- 340B hospitals already document care for patients in need through annual Medicare cost reports, IRS filings, and other reporting mechanisms.
- **HB2371 SA2 Patient Access to Pharmacy Protection Act ensures 340B Program integrity and transparency with the State of Illinois through reporting requirements for a 340B covered entity and the Department of Healthcare and Family Services.**
VOTE YES for HB2371 SA2!

The proposed 340B Audit and Reporting bills will be burdensome to the state and 340B hospitals.

- **HB5421/SB3878** 340B Integrity Act requires 340B covered entities to use 80% of 340B profits from the prior year to decrease at the point of sale, the out-of-pocket costs paid for 340B drugs that are dispensed or administered to low-income patients of the 340B covered entity.
This is inconsistent with federal law.
- **HB4327** 340B Audit requires the Auditor General to conduct a comprehensive investigation of how 340B covered entities within Illinois participate in the 340B Drug Discount Program.
- **HB4954/SB3146** 340B Pricing Program Report requires the Illinois Department of Public Health to submit an annual report to the General Assembly regarding on 340B covered entity transactions.

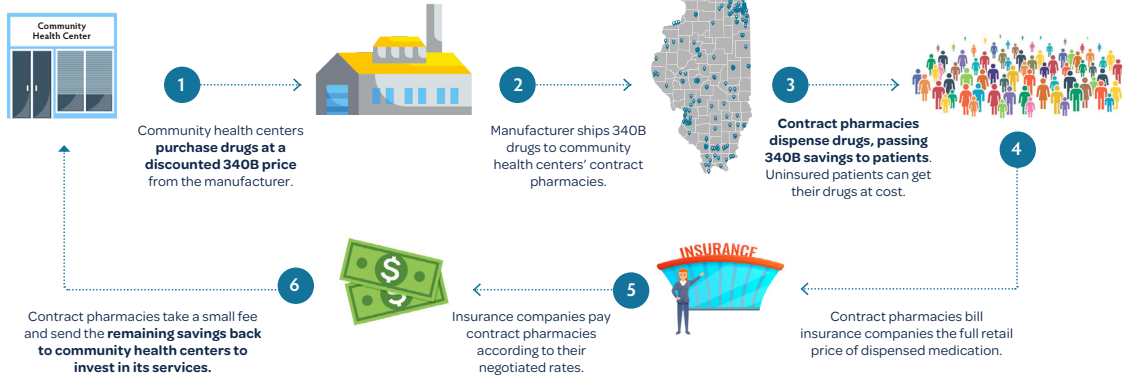
Vote YES for HB2371 SA2

Vote NO on 340B Audit and Reporting Bills!

Understanding 340B

In 1992, Congress enacted the 340B program, requiring drug manufacturers to provide discounted outpatient drugs to eligible community health centers. The program allows community health centers to pass these savings on to patients while generating vital revenue to reinvest in their care.

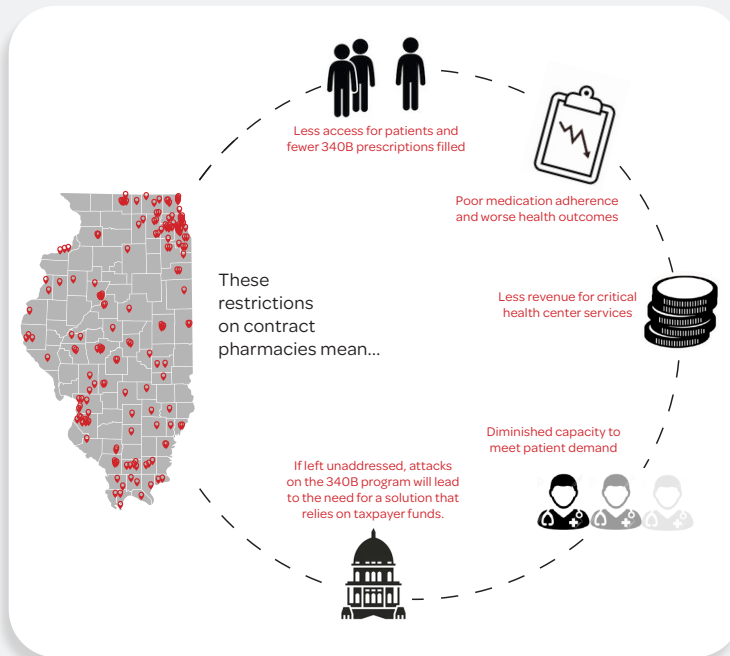
Here's how the program works:



340B = Discounted drugs for patients **+** Critical revenue for health centers **+** No cost to taxpayers **+** Healthier patients and communities

The 340B program is **UNDER THREAT**

Pharmaceutical manufacturers are testing the limits of the 340B law in order to increase their profits and are imposing restrictions on the number of contract pharmacies that health entities can have. Each manufacturer may opt for its own restrictions, which leads to a fractured system that provides less access to vulnerable patients.



Contract Pharmacy RESTRICTIONS = Less access and higher costs for patients **+** Fewer resources for health centers **+** A fractured, unworkable program **+** Worse patient outcomes

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