



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



Patient Access to Pharmacy Protection Act

HB2371 SA2 – Representative Anna Moeller

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.
- **Drug companies are restricting access to contract pharmacy to skirt penalties for price hikes and avoid discounts on expensive specialty drugs**. Their refusal to offer 340B pricing dramatically restricts the benefit of the 340B program, negatively impacting the ability of covered entities to provide care for vulnerable communities.
- The federal 340B statute is **silent** on distribution of 340B-acquired drugs to 340B covered entities and their contract pharmacy partners. The State's compelling interest is in **preserving and improving access to health care services**. Ensuring access of life-saving medications is a matter of **health, safety, and welfare for the people of the State of Illinois**.

HB2371 SA2 protects 340B covered entities and contract pharmacies by:

- **Ensuring Patient Access** by prohibiting pharmaceutical manufacturers from restricting or interfering with the acquisition of a 340B drug to a 340B covered entity or 340B contract pharmacy.
- **Protecting Contract Pharmacies Across Illinois** by prohibiting restrictions on the ability of a 340B covered entity to contract with or designate a 340B contract pharmacy.
- **Barring pharmaceutical manufacturers from unlawful requirements** imposed on 340B covered entities:
 - Demand ingredient costs or pricing data to the pharmaceutical manufacturer.
 - Demands related to how a 340B covered entity manages its 340B inventory.
 - Demand data that is not required by state or federal law as a condition for a 340B covered entity or contract pharmacy to remain in the program.
- **Ensuring 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.

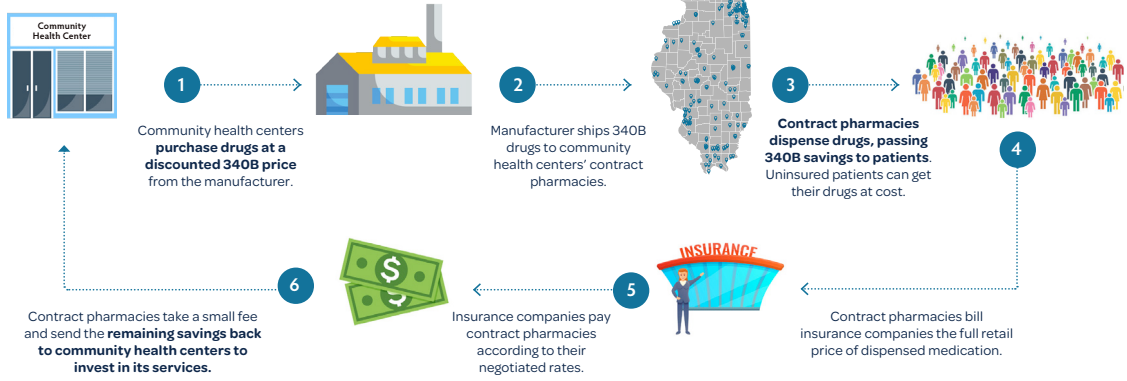
Vote YES for HB2371 SA2

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.

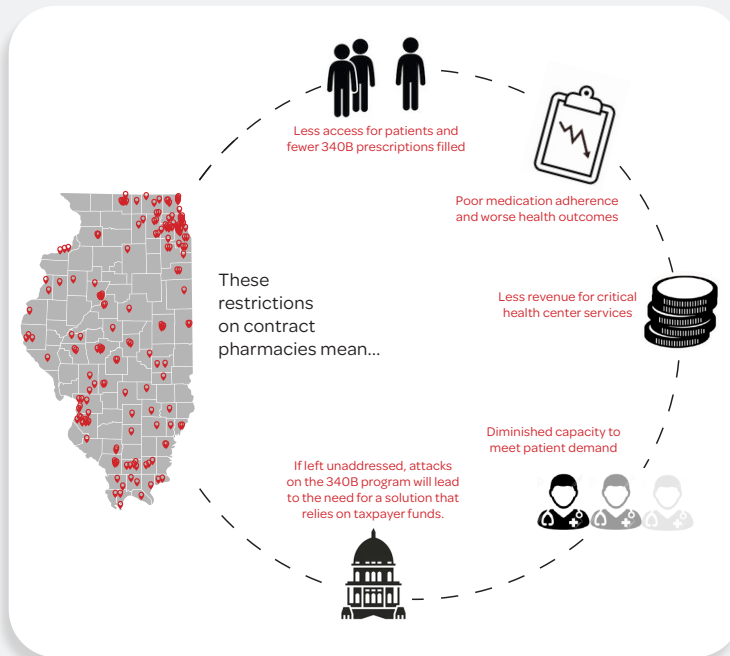
Here's how the program works:



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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