

340B Program



For over 30 years, the 340B Program has provided critical resources enabling Community Health Centers to deliver affordable, effective, and accessible primary and preventive care services to the most underserved and vulnerable communities. The 340B Program allows health centers to purchase outpatient medications at lower prices. Health centers reinvest the savings into activities that further the mission of improving patient's lives, as required by health center grants. This contribution to their operating margin enables each health center to meet the unique needs of their community, like behavioral health, dental care, specialty care, and enabling services that address key health issues like food insecurity or affordable housing.

Health centers are working to **increase access to affordable health care and life-saving medications.** Unfortunately, over the last four years, health centers have lost mission-critical resources from the 340B program, while the Health Center Program hit a historic record of more than 32 million patients. The 340B statute's ambiguity has created instability in the program, causing health center patients to be at risk of losing access to affordable and comprehensive healthcare services.

With over 90% of health center patients at or below 200% of the Federal Poverty Level, there is no question that health centers exemplify the type of safety net program the 340B Program was intended to support.

By law, all health centers:

Must be located in a medically underserved area or designated population by Health and Human Services and deliver comprehensive primary care to those surrounding communities.

Must reinvest 340B savings into activities that further the objectives of the Health Center Program, like expanding health care services and addressing social drivers of health.

Have programmatic and reporting transparency subject to federal oversight through the Health Center Program.

Provide sliding fee discounts to eligible patients for health care services and affordable medications when feasible.

Health centers use 340B drug discounts to provide uninsured and underinsured patients access to affordable medicines for chronic conditions such as diabetes and asthma. We need Congress to take action and reform the 340B Program to ensure we can continue to serve our nation's most vulnerable patients.

How You Can Help

- **Support comprehensive 340B legislation in 2025 that protects the viability of the program and addresses health center policy principles.**

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Key Principles for 340B Reforms

Health centers believe **it's time to reform the 340B Program** to recognize the complexities of today's healthcare system and ensure that true safety-net providers continue to have **access to critical resources for America's most vulnerable and underserved patients.**

1

The 340B Program is a lifeline for health centers and their patients. Health centers depend upon the 340B program to stretch their scarce federal resources to serve more patients and provide comprehensive services. Additionally, millions of health center patients rely upon the 340B program for access to affordable, life-saving medications. It is NACHC's top priority to strengthen the 340B statute to protect the intent of the Program. We believe federal protections should establish an equitable baseline that leaves room for states to expand protections for a sustainable and dependable 340B program.

2

340B eligibility should be defined by the health centers' relationship with the patient and how savings are reinvested back into patient care. As the largest network of primary care providers, patients rely on their local health center for access to comprehensive primary and preventive care services and affordable medications. 340B eligibility should reflect the unique requirements of the Health Center Program such as providing comprehensive primary care and enabling services, and serving all patients regardless of their ability to pay. Legislation should include a patient definition that prioritizes the needs of patients and their relationship with the health centers.

3

Health center patients must have unlimited and unrestricted access to contract pharmacies. Contract pharmacies enable health centers to increase patient access to affordable medications and services. 340B reform should protect the ability of health centers to dispense medications at contract pharmacies near where patients live and work. Additionally, legislation should create accountability for contract pharmacies that fosters collaboration and partnership with safety-net providers. NACHC will not support legislative language that requires 340B claim modifiers at the point-of-sale, as that would severely limit 340B access for health centers.

4

340B Legislation should increase HRSA's authority to govern the 340B program through clear and concise statutory language. As new threats to the 340B program emerge, the Health Resources and Services Administration (HRSA) must be provided the statutory authority to issue new guidance and hold manufacturers accountable. Without this, manufacturers will continue to dictate the terms of the 340B program at the expense of health center patients. To support HRSA's Program Integrity initiatives, health centers support 340B transparency that protects the integrity and shows the value of the Program. It is important that any new transparency requirements are complementary to existing technology capabilities and do not create additional administrative burdens.

5

Health centers need comprehensive PBM reform for long-term financial sustainability. For decades, Pharmacy Benefit Managers (PBMs) have taken 340B savings away from health centers through discriminatory business practices to the detriment of them and their patients. Comprehensive 340B reform must prevent for-profit entities from implementing policies limiting patients' choices and access to affordable medications.