

New York's Community Health Centers Rely on the 340B Drug Discount Program



COMMUNITY HEALTH CARE ASSOCIATION
of New York State

chcanys.org

What is 340B?

Since 1992, the Federal Public Health Service Act 340B drug discount program has allowed safety-net health care providers to access pharmaceutical drugs at reduced costs and to reinvest savings to expand access to care in medically underserved communities. By lowering how much they must pay for pharmaceuticals, 340B enables health centers to make drugs affordable or free for their low-income uninsured and underinsured patients and expand access to services that otherwise have no funding stream.

Why is 340B so critical to community health centers (CHCs)?

As small, community-based organizations, health centers lack the market power to negotiate discounts off the sticker price of all drugs, but especially high-cost ones like insulin and epinephrine.

How do health centers use 340B savings?

CHCs use 340B savings to improve population health in medically underserved communities, like those that are Black, Brown, or other People of Color, immigrant, low income, and rural. 340B enables CHCs to expand services for the uninsured and underinsured and to cover essential services that, but for 340B funds, would otherwise go unfunded, like:

- Providing low cost or free medications for low-income patients and ensuring medication adherence
- Subsidizing costs of care for undocumented, uninsured and underinsured
- Enhancing care coordination for those who are chronically ill, therefore avoiding unnecessary ER visits and/or hospitalizations
- Offering HIV and STI prevention services and medications
- Implementing nutrition & diabetes self-management education programs
- Coordinating access to social services through partnerships with community-based providers
- Subsidizing transportation so patients can access specialty services
- Providing food security support
- Providing on-site legal assistance

Health centers are a tiny part of the total 340B program – accounting for only 6% of national 340B sales. But 340B is critical to health centers' ability to provide affordable drugs & other services to underserved individuals.

What's at risk if 340B is undermined or goes away completely?

The Community Health Care Association asked New York CHCs to share the services they offer that are currently funded through 340B savings. If health centers' ability to participate in 340B is limited in any way, any and all of these services may be at risk.

340B Supported Services

