NYS COMMUNITY HEALTH CENTERS FACTS 2027

COMMUNITY HEALTH CARE ASSOCIATION of New York State
chcanys.org

Safeguard Access to the Federal 340B Drug Pricing Program
Protecting the federal 340B Drug Pricing Program is essential to ensure community health centers (CHCs) can provide care in underserved communities. Established by Congress in 1992, the 340B program allows "covered entities" like CHCs to purchase discounted medications. CHCs are required to reinvest the savings into patient care, helping expand access, strengthen services, and lower costs for the patients who need care the most, all without spending taxpayer money.

340B Savings Support Access to Care
The 340B program requires pharmaceutical manufacturers to provide drug discounts to safety net providers. CHCs receive 340B savings on medications covered by commercial insurance, Medicare, and clinic-dispensed Medicaid drugs. These savings support subsidized medications for uninsured and underinsured patients, dental and behavioral health services, school-based health centers, housing support, transportation, and food access.

Erosion of 340B and Restrictive Industry Practices
Since 2020, pharmaceutical manufacturers are increasingly restricting access to 340B pricing and depriving CHCs of resources intended to support vulnerable communities. Many manufacturers now refuse to honor 340B pricing at contract pharmacies, **costing New York CHCs as much as $80 million in 2025 alone**—resources that could have supported patient care, expanded services, and helped patients access medications when they need it, wherever they need it.

At the same time, pharmacy benefit managers (PBMs) are imposing restrictive 340B contracting practices that further erode program savings. With more than 92% of New York CHCs relying on contract pharmacies, Big Pharma and PBMs are taking resources away from patient care and are undermining CHCs' ability to serve low-income New Yorkers.

New York must pass the 340B Prescription Drug Anti-Discrimination Act to protect the integrity of the 340B program and fortify CHCs' access to critical savings. The bill prohibits discriminatory practices that limit access to 340B-priced drugs, requires pharmaceutical manufacturers to honor 340B discounts, and authorizes DOH to enforce compliance through monetary penalties. Similar laws in Arkansas and Louisiana have withstood legal challenges and successfully restored 340B access by compelling Big Pharma to lift harmful restrictions in those states.

Protecting 340B protects access to care.
These savings help CHCs care for communities that need them most.

Our patients count on us; can we count on you?

Two Sides of a Prescription: How 340B Makes a Difference

Imagine at your local CHC, 2 patients need the same heart medication.

Patient A is uninsured and can only afford **$10**. The medicine costs **$100**, but through the **340B program**, the CHC buys it for **$70**. The CHC charges the patient $10, taking a **$60 loss** to make sure Patient A gets the care they need.

Patient B has insurance, which pays the full **$100**. Since the CHC paid only **$70**, it keeps the **$30 difference**.

That $30 isn't profit, it's how the CHC:
- ✔ Covers losses for patients like A
- ✔ Funds dental, behavioral health, and school-based care
- ✔ Keeps care accessible for everyone in the community

This is the intent of 340B—making every dollar count for every patient.

Drug Makers Are Making It Harder to Get Your Meds

Many pharmaceutical manufacturers decided that CHCs can no longer send 340B-priced drugs to contract pharmacies.

Patient A, who lives an hour from the clinic, used to walk 15 minutes to a nearby contract pharmacy to receive their $10 med. Now, they must travel much farther to access the discounted drug. And, without reliable transportation, they may go without their meds altogether.

Middlemen Profit, Patients Pay

CHCs use 340B savings to serve everyone, insured or not. But PBMs are finding ways to pocket those savings for themselves.

Now re-imagine Patient B who has insurance. Normally, the CHC is reimbursed $100, keeping $30 in savings thanks to 340B.

But now, PBMs are adding additional fees on CHCs for 340B-priced drugs only, chipping away at that $30 in savings for CHCs.

That means less funding for care, more strain on CHCs, and patients are the ones who suffer.