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## Protect the 340B Drug Discount Program

### HEALTH CENTERS & 340B

The 340B drug discount program is a lifeline for safety net providers across Pennsylvania, including Community Health Centers (CHCs), hemophilia treatment centers, Ryan White HIV/AIDS Program clinics, children's hospitals, and hospitals serving a disproportionate share of low-income patients. Under the 340B program, safety net providers use savings from reduced drug prices to directly benefit patients: helping low-income uninsured and underinsured patients afford their medications, supporting dental programs, covering the costs for mobile units, and enabling safety net providers to address other barriers to care. CHCs are required by law, regulation, and mission to invest every penny of 340B savings into activities that expand access to care for populations with limited access. The ability to reinvest these savings to support or expand primary care services ultimately increases patients' access to the care they need, when they need it, and in the most appropriate and cost-effective setting, thus reducing costs elsewhere in the healthcare system.



### ISSUES

During the pandemic, pharmaceutical companies began interfering with a patient's choice of pharmacy. They limited the patients of these safety net providers to using only one pharmacy per organization to access these affordable medications. These limitations offered no alternatives for patients to account for transportation issues, geographic footprints, or other barriers to pharmacy access.

### SOLUTION

Co-sponsor Senator Brooks' Unnecessary Restrictions in Prescription Discounts legislation. This legislation will prohibit discriminatory restrictions on 340B program providers, including interfering with a patient's choice of pharmacy ensuring that 340B savings, as intended, are directed to support providers and patients with limited access to healthcare. In addition, this legislation will ensure that 340B providers have access to savings that are reinvested into their local communities by ensuring covered entities have access to the savings they are entitled to as part of the program. These non-taxpayer funds are critical to the short-term and long-term viability of these safety net providers.

### BACKGROUND

More than 25 states have already passed payer discrimination protections for safety net providers. In 2024, 22 states have introduced legislation that protects safety net providers from manufacturer restrictions.

The 340B savings earned by safety net providers enable them to serve more patients with more comprehensive services (the stated intention behind the original law).

**“Providers use 340B to off-set losses incurred from treating some patients, continue providing existing pharmaceutical and clinical services, lower drug costs for low-income patients and serve more patients, and provide additional services.”**

The Government Accountability Office (GAO)

### TAKE ACTION TODAY

**Senators can co-sponsor Senator Brooks Unnecessary Restrictions in Prescription Discounts.**



## A TALE OF TWO PATIENTS: WHY THE 340B LEGISLATION IS NEEDED

Imagine two CHC patients who take the same heart drug. The drug's regular price is \$100, and the 340B price is \$70.

Patient 1 is uninsured and can only pay \$10 for the drug. Even with the 340B discount, the CHC incurs a \$60 shortfall. (\$70 cost minus \$10 copay.)

Patient 2 has insurance, which normally reimburses \$100 for this drug. If the CHC is treated the same as non-340B providers, it retains \$30 in savings (\$100 reimbursement minus \$70 cost.) These savings help cover the costs of Patient 1's drug, and/or other services.

But increasingly, restrictions being put on the program such as limiting a patient's choice of pharmacy are discriminating against CHCs and other 340B providers or restricting access to these savings to hamper the availability of these critical health care services.

By prohibiting pickpocketing and other discrimination, the 340B legislation will keep 340B savings where they belong – with covered entities and patients with limited access to healthcare.

## HOW COMMUNITY HEALTH CENTERS RECEIVE AND USE 340B SAVINGS

