

Policy and Regulatory Update Call Invite

OPCA's Policy Team is inviting you to join them as they kick off OPCA's Policy and Advocacy Update Call where they will provide monthly updates on important policy and regulatory issues that matter to health centers.

Attendees will have direct access to federal and state-level policy and regulatory updates from OPCA staff and national experts.

When: Every second Wednesday of the month at 12:00 PM Pacific Time (US and Canada)

[Register in advance for this meeting.](#)

After registering, you will receive a confirmation email (check spam/junk) containing information about adding the calendar invite and joining the meeting

State Update

Quarterly Legislative Days – During September Legislative Days (23 – 25) legislative committees heard implementation updates from state agencies as well as from advocates and other subject matter experts on a wide range of topics. The Senate Committee on Health Care invited OPCA to provide an overview of the 340B Program. The Committee heard from national 340B policy expert, Colleen Meiman and Neighborhood Health Center's Pharmacy Director, Jennifer McElravey. You can find a recording of the presentation on the [Oregon Legislative Information System](#).

Oregon Health Plan (OHP) Bridge Advisory Committee – Appointed by OHA, the OHP Bridge Advisory Committee (OBAC) will help guide the new [OHP Bridge benefit package](#). The committee's goal is to create a space for OHP Bridge members, advocates, partners, and administrators to inform OHP Bridge operations. The committee will provide recommendations to OHA and the Oregon Department of Human Services.

Last week, OHA announced the first OBAC members. OPCA was thrilled to see two of the eleven members are FQHC representatives:

- Mike Durbin, JD, Aviva Health
- Jonathan Hall, DMD, Neighborhood Health Center

Federal Update

Capitol Hill

Congress – Members of Congress are in their home districts on the campaign trail through Election Day. They will return to an action-packed agenda on November 12. The most pressing business will be the December 20 expiration of the current Continuing Resolution. On September 30 Congress passed and the President signed a Continuing Resolution (CR) funding the government from October 1 through Dec. 20 at FY24 levels.

Before leaving DC, House Speaker Mike Johnson (R-LA) stated at a press conference that “There won’t be a Christmas omnibus” – meaning a single, massive bill to fund the entire government in December. He also ruled out other large packages of funding legislation, such as “minibuses” — bills that combine funding for some, but not all areas of government. To date, the House has passed five of the 12 regular funding bills which were packed with GOP priorities and considered dead on arrival in the Senate which has passed none.

Reminder: Mandatory funding for Section 330, the NHSC, and Teaching Health Centers will expire on December 31, 2024 – meaning that we’ll need to advocate for continued funding starting with the post-December 20 bill.

Policy & Regulatory

340B Rebate Model: On August 23, Drug maker Johnson & Johnson announced its plans to convert 340B pricing for some drugs from an upfront discount to a rebate model -- and at the time, didn't seem to be deterred by potential legal issues. Many 340B experts consider a rebate model a threat on par with contract pharmacy restrictions. To date, HRSA has prohibited manufacturers from implementing a rebate model, and a lawsuit seeking to override HRSA’s position has not succeeded.

Under the current discount model, CHCs pay a discounted amount for 340B drugs at the time of purchase. Under the rebate model, CHCs and other covered entities would be required to pay regular market prices for their drugs upfront. After dispensing the drug, they would need to submit a rebate request to the manufacturer, including any data that the manufacturer demands. Then they would need to wait for the manufacturer to approve the rebate request and send them the savings. **A rebate model would create enormous cash flow and administrative challenges for CHCs, and most CHC pharmacists report that it could end their 340B programs entirely.**

On September 17, HRSA sent a warning letter to Johnson & Johnson citing that their rebate model violates manufacturers’ obligation in 340B. Ten days later, on Friday, September 27 HRSA sent a follow-up letter to the manufacturer reminding them that if

they continue to move forward with their proposed 340B rebate model, their actions could result in corrective action e.g., being barred from selling their drugs in Medicare and Medicaid.

Following HRSA's strongly worded letter, [reports](#) emerged that the manufacturer had informed HRSA that it had "no choice but to forgo implementation" of the rebate model. However, it is far too early for a victory lap. J&J is not giving up on the model; rather, it states that it is "forgo[ing] implementation of its rebate model... pending resolution of these [legal] issues." While the immediate threat has passed as it could take years to reach a resolution (unless Congress intervenes), we know manufacturers continue to explore ways they can circumvent the 340B Program.

On October 1, Congresswoman [Spanberger](#)'s office issued a press release noting that 188 Representatives from both parties had signed on to a Congressional letter expressing concerns with the rebate model. Oregon Representatives, Blumenauer, Bonamici, Hoyle, and Salinas all signed the letter. Please thank them for their support.