

# Brief Guide to 340B



## Health Center Primary Funding

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### 340B 101

In 1992, Congress established the 340B Drug Pricing Program to encourage pharmaceutical manufacturers to provide discounted prescription drug prices to eligible healthcare facilities (covered entities). Covered entities are eligible for discounted medications through their own in-house pharmacies or through contractual agreements with external pharmacies in their communities.

### Contract Pharmacies

Contract pharmacies are essential to the 340B program. They play a critical role in expanding patient access to affordable, life-saving medications by providing pharmacy services and dispensing discounted drugs to eligible patients on behalf of covered entities, including Federally Qualified Health Centers (FQHCs). Contracting with these community pharmacies enables health centers to provide accessible, life-saving treatments to all their patients, including those in remote or underserved areas.

## Key Benefit to Health Centers

The 340B program allows health centers to purchase medications from manufacturers at a discounted rate. Further, health centers are able to retain savings generated from the difference between the discounted purchase price and the amount reimbursed by insurance providers. Health centers receive those savings regardless of where the prescription is filled - in-house or an external pharmacy.

## Key Benefit to Patients

The 340B program provides significant benefits to FQHC patients by ensuring they can access their medications at affordable prices. Additionally, FQHCs must reinvest all 340B savings into patient care, often utilizing these funds to support or expand programs and services that are not typically billable under Medicaid. Many health centers have leveraged 340B revenue to enhance dental services, provide additional coverage for Medicare enrollees, and initiate street outreach programs. The 340B program is a vital public health initiative.



FQHCs can retain and hire vital healthcare staff



FQHCs can expand healthcare services to meet their communities needs



Patients can access services that are not typically covered by Medicaid



Patients receive their prescriptions at a discounted rate

## 340B PROGRAM REVENUE

### Investing in Population Health



**Federally Qualified Health Center (FQHC)**  
**340B Revenue is required to be invested in patients,**  
**allowing health centers to create and expand vital programs.**



#### **New Access Points**

340B revenue has allowed FQHCs to expand mobile health and street outreach teams.



#### **Dental Programs**

Many health centers throughout the state have expanded oral health services utilizing 340B revenue.



#### **Affordable Medication**

Health centers are able to offer free or reduced cost medications to their patients who need it through the 340B program.



#### **Integrated Services**

340B revenue has broadened health center services - from dietitians to maternal health.

The 340B program allows FQHCs to provide holistic care that they would otherwise not have the resources to offer throughout our state. Contract pharmacies are essential for maximizing effective healthcare. Supporting this legislation will help safeguard Oregon's FQHCs and the patients they serve.

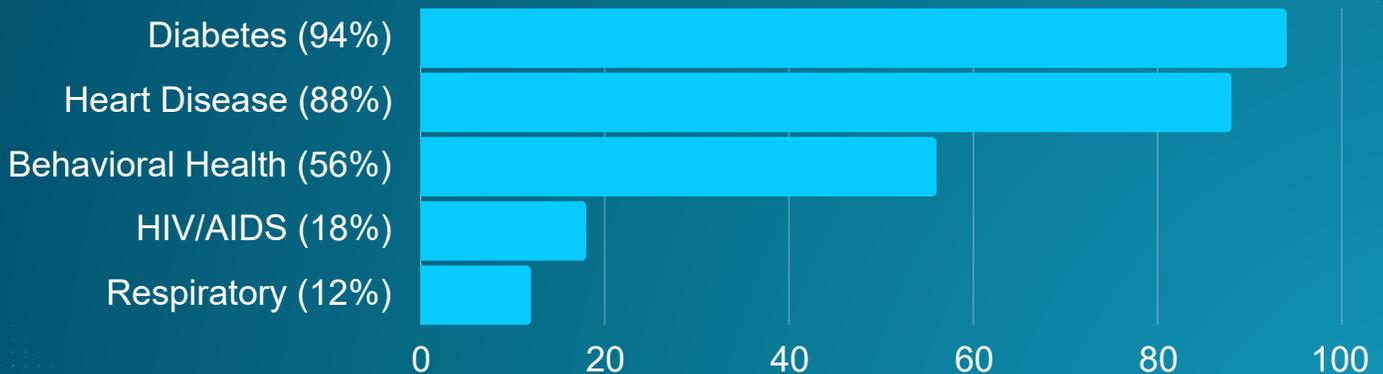
This bill ensures that FQHCs and their patients have uninterrupted access to life-saving medications by lifting drug manufacturers' shipping restrictions on contract pharmacies. A 'yes' vote is step towards protecting vital healthcare services for Oregonians.

## Drugs supported through the 340B program help patients manage their chronic conditions

Since 2020, drug manufacturers have restricted Federally Qualified Health Centers (FQHCs) ability to contract with external pharmacies in their communities. These limitations have reduced patient access to life-saving medications and have directly affected FQHC funding.

As these manufacturer restrictions become more prevalent, Oregon's safety-net program is unjustly constrained, adversely impacting hundreds of thousands of Oregonians ability to access life-saving medication and healthcare in their communities. Protecting the contract pharmacy provision within the 340B program is vital for safeguarding FQHCs and their patients.

### TOP CONDITIONS TREATED WITH 340B DRUGS AT FQHCs NATIONALLY



National Association of Community Health Centers, 2022 UDS Data

**In 2023 alone, Oregon's health centers lost over 10 million dollars due to contract pharmacies restrictions.**