Setting the Record *Straight*

340B Drug Pricing Program in Colorado

Congress established the 340B Drug Pricing Program more than 30 years ago to maximize federal resources, reach more patients, and expand services. Colorado 340B hospitals use savings to address their communities' unique needs, including expanding access and improving affordability. Since 2020, drug manufacturers have restricted the program, limiting contract pharmacies, reducing patient access to critical medications, and undermining savings – contrary to congressional intent. Manufacturers justify these actions with false narratives.

Big Pharma false narrative: X

"Colorado hospitals abuse the 340B program to bolster profits."

Setting the record straight: ✔

Colorado has 68 hospitals that participate in the 340B program, with 89% of those hospitals operating with a thin or negative margin.

For some hospitals, 340B benefits allow them to keep their doors open in the face of expense increases post-COVID, changing patient utilization, and increasing numbers of uninsured and charity care. The 340B program, supported by Congress for decades, helps enable hospitals to continue serving patients while managing financial challenges.

In short, Colorado hospitals use the 340B program benefits to support their patients, their communities, and the state's health care safety net. Limitations on the 340B program result in these benefits returning to out-of-state and out-of-country pharmaceutical companies and bolstering their profits at the expense of Colorado patients.

Big Pharma false narrative: X

"Only 25% of contract pharmacies are in medically underserved areas in Colorado."

Setting the record straight: ✔

Many patients who struggle to access essential health care do not live in federally designated "medically underserved areas."

By partnering with pharmacies in accessible locations, often along major transit routes, hospitals can better reach and serve patients who face barriers to essential care, regardless of whether their zip code is within a formally defined medically underserved area.

Furthermore, before the pharmaceutical manufacturer-imposed limitations, hospitals were able to contract with pharmacies most convenient for their patients.

By contrast: Pharmaceutical manufacturers' actions to restrict the program have limited patient access and choice.

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Big Pharma false narrative: ✗

"Hospitals aren't passing the discounts on to patients or helping the underserved."

Setting the record straight: ✓

The 340B program savings subsidize critical programs that often operate at loss, meaning that without these savings, hospitals may not be able to continue to offer such services as trauma care, burn treatment, obstetrics, behavioral health, and treatment of opioid use disorder.

One Colorado hospital uses 340B funds to pay 100% of the annual rent for the local unaffiliated Federally Qualified Health Center to assist in improving access to care for community.

Other uses of 340B savings include:

Directly lowering patients' medication costs

Disease-specific outreach programs

Free care clinics

Ambulatory care pharmacists

Free vaccines

Connecting families with community-based partners

And more…

Big Pharma false narrative: ✗

"The 340B program lacks transparency and regulation."

Setting the record straight: ✓

The 340B program is heavily regulated at the federal level.

To participate, eligible organizations must register, enroll, and comply with all 340B program requirements. The 340B statute allows the Health Resources and Services Administration (HRSA) to audit covered entities to ensure compliance, and HRSA has conducted more than 800 audits of covered entities.

By contrast: There is little manufacturer transparency in 340B. Manufacturers enjoy complete freedom to hide their pricing information from the public.

Big Pharma false narrative: ✗

"States lack jurisdiction over the 340B program."

Setting the record straight: ✓

States have jurisdiction over the health, safety, and welfare of their residents – including distribution of and access to life-saving medications.

Ensuring patient access to life-saving medications and supporting their health care safety net is an unquestionable matter of health, safety, and welfare.

Eight states have enacted state laws protecting the use of contract pharmacies, with courts in Arkansas and Louisiana rejecting manufacturers' arguments regarding jurisdiction. In addition, a State Attorney General response to U.S. Senate *Request for Information to Strengthen the 340B Drug Pricing Program,* signed by 23 attorneys general, including Colorado Attorney General Phil Weiser, is unequivocal in the position that states have jurisdiction over this program.

FOR MORE INFORMATION:
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