Setting the Record *Straight*

340B and Contract Pharmacies

Big Pharma false narrative: X

"Passing SB 25-71 will result in ALL pharmacies being part of the 340B program in the future."

Setting the record straight: ✓

Hospitals only add contract pharmacies when it is necessary for patients to have access to the drugs needed. There are times when contract pharmacies need to be added:

- Manufacturers and health insurers restrict where patients can get certain drugs
- Some specialty drugs are only available by mail
- Some health insurers require certain pharmacies

Becoming a 340B contract pharmacy requires infrastructure to support the requirements that are required by statute. Specifically:

- ☑ A contract pharmacy must have a TPA (third party administrator software) to allow for the HRSA-required replenishment process.
- ☑ A contract pharmacy must manage enough volume to meet the replenishment model for every 340B covered entity that they serve.
- ☑ The covered entity (hospital) must also have processes in place to track the various wholesaler purchase accounts, TPA transactions, and monitor/audit for compliance.

Don't forget:

HRSA has explicitly authorized the use of contract pharmacies and, in doing so, considered and rejected the arguments being raised now by manufacturers.

Bottom Line:

Even if there are more contract pharmacies included in the 340B program, it does not expand the number of eligible prescriptions, only the places they can be filled.

FOR MORE INFORMATION:
Contact Bridget Frazier, CHA Senior Director of Advocacy and Government Relations, at Bridget.Frazier@cha.com

© CHA 2025

c|h|a Colorado Hospital Association