Setting the Record Straight

340B doesn't increase costs

Big Pharma false narrative: X

"SB 25-071 will raise costs for Union Health Plans and the Colorado State Employee Plan because they won't get rebates on 340B drugs."

Setting the record straight: ✓

Drug companies don't know when 340B drugs are billed to private insurance plans, and Colorado law passed in 2022 prevents those insurance plans from treating 340B drugs differently or requiring pharmacies to identify 340B drugs. Manufacturers would only possibly stop paying rebates for all pharmacies or if they pressure pharmacy benefit managers (PBMs) to break the law prohibiting identification of 340B drugs to private insurance plans.

Big Pharma false narrative: X

"Federal "double dipping" laws prevent paying rebates on 340B drugs, which raises costs for Union Health Plans and the Colorado State Employee Plan."

Setting the record straight: ✓

"Double dipping" rules apply only to Medicaid, not to commercial insurance plans like union and state employee plans. Congress intended for 340B drugs to be treated the same as other drugs in these cases, allowing hospitals to use the savings to offset the costs of Medicaid and uninsured care.

Vote YES on SB 25-071 and NO on SB 25-124

Big Pharma false narrative: X

"Hospitals are exploiting loopholes to boost their profits instead of helping patients."

Setting the record straight: ✓

In 2022, Colorado's non-profit hospitals provided over $2.42 billion in community benefits, which is three times more than the savings from 340B. The purpose of the 340B program was never to give direct discounts to patients but to strengthen the safety net for communities.

Big Pharma false narrative: X

"Employers/unions are paying more while hospitals pocket the money without lowering drug costs."

Setting the record straight: ✓

340B is *not* a patient discount program – it supports the health care system that treats everyone, regardless of their ability to pay. This reduces overall costs by ensuring access to care, and the cost of uncompensated care in Colorado far exceeds any 340B savings.

Big Pharma false narrative: X

"The 340B program exploded from $5 billion in 2010 to $66 billion in 2023, growing bigger than Medicaid with no limits."

Setting the record straight: ✓

The growth of 340B is primarily due to two factors:

- More people qualifying for Medicaid, which means more hospitals are caring for Medicaid patients and eligible for the 340B program.
- Skyrocketing drug prices pushed by pharmaceutical companies. As drug prices rise, 340B discounts deepen to protect hospitals and patients from sudden price hikes.

FOR MORE INFORMATION:
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