

# The 340B Drug Pricing Program

## What is 340B?

The 340B Drug Pricing Program is a federal program, established in 1992, which allows certain covered entities, including community health centers, to purchase outpatient medications at a discount.

## How Do Health Centers Use 340B?

By mission and statute, health centers must re-invest all savings from the 340B program into patient care. The program supports services such as pediatrics, OB, and dental, and ensures patients have access to affordable, life-saving medications.

## How Do Health Centers Use Contract Pharmacies?

About 56% of health centers in the country have an in-house pharmacy.<sup>1</sup> Many health centers don't operate in-house pharmacies because of the significant resource investments required to start and maintain them. Health centers rely on contract pharmacies, whether they are retail chains or independent pharmacies, to expand access for patients because these

pharmacies are conveniently located and often offer extended hours.<sup>2</sup> According to a study by the National Association of Community Health Centers (NACHC), 86% of community health centers rely on contract pharmacies to expand medication access for their patients.<sup>3</sup>

## Threats to Patient Access to Medications at Contract Pharmacies

Since 2020, several major drug manufacturers placed restrictions on the ability of health centers to use contract pharmacies for 340B-priced medications. These actions drastically limit access to affordable medications for patients and jeopardize other services supported by the 340B program.

Community health centers invite you to visit their clinics to learn more about this issue!

1 National Association of Community Health Centers. (2022). 340B: A Critical Program for Health Centers. Retrieved from [https://www.nachc.org/wp-content/uploads/2022/06/NACHC-340B-Health-Center-Report\\_-June-2022-.pdf](https://www.nachc.org/wp-content/uploads/2022/06/NACHC-340B-Health-Center-Report_-June-2022-.pdf) 2 Ibid. 3 National Association of Community Health Centers. (2022). 340B: A Critical Program for Health Centers. Retrieved from [https://www.nachc.org/wp-content/uploads/2022/06/NACHC-340B-Health-Center-Report\\_-June-2022-.pdf](https://www.nachc.org/wp-content/uploads/2022/06/NACHC-340B-Health-Center-Report_-June-2022-.pdf)



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