

## TESTIMONY OF THE AMERICAN SOCIETY OF HEALTH-SYSTEM PHARMACISTS

January 24, 2023

Chair and Members of the Committee:

I am Tom Kraus, Vice President of the American Society of Health-System Pharmacists (ASHP). ASHP is the collective voice of pharmacists who serve as patient care providers in hospitals, health systems, ambulatory clinics, and other healthcare settings spanning the full spectrum of medication use. The organization's more than 60,000 members include pharmacists, student pharmacists, and pharmacy technicians. For more than 80 years, ASHP has been at the forefront of efforts to improve medication use and enhance patient safety.

### **Why is the 340B Drug Pricing Program Needed?**

The 340B Drug Pricing Program is essential to many safety net hospitals' ability to provide healthcare services, including access to medications, for uninsured and underinsured patients. Many safety net hospitals rely on 340B program discounts to fund patient services for low-income and rural patients. It is a key to enabling safety net hospitals to support patient care in their communities. The 340B program is intended to permit safety net hospitals to purchase drugs from pharmaceutical manufacturers at a discount, which provides uninsured and underinsured patients greater access to patient care services that would not be available otherwise.

### **How do Insurers and PBMs Take Advantage of the Program?**

Some insurers and their pharmacy benefit managers (PBMs) attempt to reduce reimbursement for drugs purchased by safety net hospitals at 340B discounted prices. This undermines the purpose of the 340B program by allowing insurers and PBMs to capture discounts as profits, rather than allowing safety net hospitals to use those resources to support patient care, as Congress intended.

To prevent insurers from diverting these resources, states should prohibit differential payment on the basis of 340B program participation, and prohibit insurers and PBMs from excluding 340B program covered entities, including their contract pharmacies, from networks.

House Bill 2716 accomplishes these goals and ensures that safety net hospitals participating in the 340B drug discount program retain access to program savings, which support access to care for many uninsured and underinsured patients.

The American Society of Health-System Pharmacists strongly supports House Bill 2716.

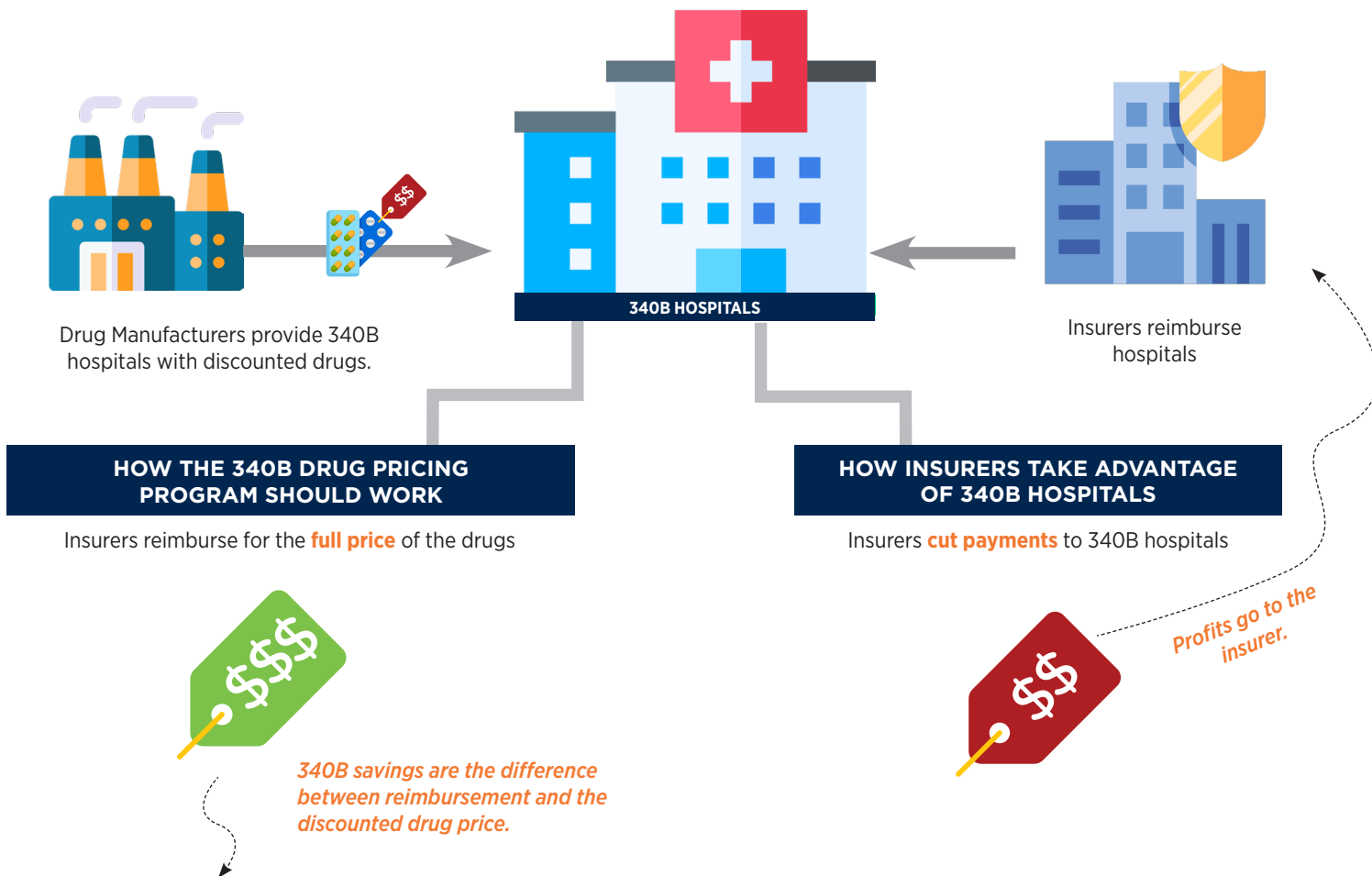


pharmacists advancing healthcare®

# PROTECT SAFETY NET HOSPITALS

## STOP DISCRIMINATORY ACTIONS BY INSURERS AND PBMS

Congress created the 340B Drug Pricing Program to fund services at safety net hospitals, at no cost to the government. The 340B program allows hospitals to buy drugs at a discount, and use savings to fund patient care. Unfortunately, insurers and PBMs are trying to take these funds for their own profits.



### 340B HOSPITALS USE SAVINGS TO FUND PATIENT CARE



Keep Safety Net Hospitals open



Expand access to care for low-income patients



Improve access specialized care



Pay rural hospitals' operational costs

# PROTECT SAFETY NET HOSPITALS

Pass legislation that will prevent insurance companies from capturing the intended benefits of the 340B program and ensure that patients have access to affordable treatments and medications.

For more information and resources, visit [ashp.org/340B](http://ashp.org/340B).