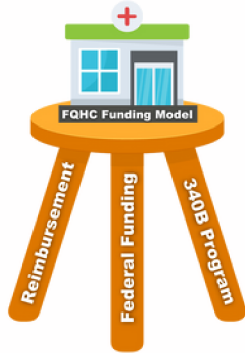


CONTRACT PHARMACIES AND 340B PROGRAMS ARE ESSENTIAL TO THE HEALTHCARE SAFETY NET

Why do contract pharmacies matter to FQHCs?



FQHCs rely on three independently critical revenue streams. The 340B program exists to “stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.” A critical component of the 340B Program is the incorporation of contract pharmacies, which are third-party sites that dispense drugs on a Covered Entity’s behalf. Contract pharmacies serve as a conduit for FQHCs to dispense life-saving medications to their patients in both urban and rural settings.



The Problem

Starting in 2020, at the height of the COVID pandemic, 11 major drug manufacturers announced they would restrict the distribution of 340B drugs to contract pharmacies used by FQHCs. These restrictions increased significantly as other drug companies followed suit. These restrictions limit the number of locations where patients can fill prescriptions, add hurdles for patients to access their medications, and directly impact safety net provider funding.



The Solution

OPCA introduced language in HB 4010, Section 3 modeled after recently passed laws in Arkansas, [HB1881](#) (2021) and Louisiana, [HB548](#) (2023) that require manufacturers to allow FQHCs and other safety net providers to have 340B drugs shipped to their contract pharmacy partners.

Oregon isn’t alone in tackling PhRAMA’s contract pharmacy restrictions. Eleven other states have introduced similar legislation in 2024!

FL, IA, KY, MA, MI, MO, NE, NY, OK, VA, WV



*The litigation, which began with PhRMA suing Arkansas shortly after HB1881 was passed in 2021, is currently awaiting a decision in the 8th Circuit U.S. Court of Appeals. PhRMA appealed the initial 2022 District Court decision that ruled in favor of FQHCs. Several manufacturers have recently taken steps that suggest they think the Arkansas and Louisiana laws will stand by rescinding their contract pharmacy restrictions in those states.

Protecting FQHCs’ ability to have 340B drugs shipped to their contract pharmacy partners is not a new or groundbreaking concept. It has a decade of precedent.

340B CONTRACT PHARMACY LIMITATIONS HARM OREGON'S MOST MEDICALLY MARGINALIZED POPULATIONS.

What happens when FQHCs lose or must limit contract pharmacy options?

Contract pharmacy service disruptions deepen the existing health inequities FQHC patients experience. Limiting prescription pickup location options disproportionately impacts rural patients and those with transportation and mobility challenges, especially those who must travel long distances to a pharmacy because their FQHC has a large service area.

Limiting contract pharmacy access has a direct impact on FQHCs and the communities they serve. Contract pharmacies are a vital mechanism for how FQHCs fund critical programs. FQHC services such as dental, pharmacy services and staff, housing supports, and prescriptions assistance programs rely heavily on 340B funding. When 340B revenue shrinks due to Contract Pharmacy restrictions, critical programs suffer, which in turn disproportionately affects communities of color which are already at a systemic disadvantage when it comes to accessing care. The loss of these programs is no longer just a looming possibility or threat; it is a reality for a multitude of FQHCs caring for medically underserved populations.

Allowing drug companies to restrict access to lifesaving medications for medically underserved populations is unconscionable.

Medical Implications of Contract Pharmacy Restrictions

OPCA surveyed FQHC Pharmacy programs across Oregon to determine the most commonly prescribed drugs from the eleven different manufacturers who have imposed contract pharmacy restrictions. The Table shows results from the top ten manufacturers. It's important to note the most commonly dispensed medications are for diabetes and breathing disorders.

Contract Pharmacy restrictions impact a patient's ability to access lifesaving medications. Additionally, making prescriptions harder to fill inevitably leads to some individuals not taking their prescribed medications, leading to more complex health issues, lower quality of life for the patient, and higher costs to the system funding their treatment.

Medication	Common Form	Conditions Treated	Manufacturer
Advair	Inhaler	COPD	GSK
Bupirone	Pill	Anxiety	Teva
Dulera	Inhaler	Asthma	Organon
Eliquis	Pill	Atrial Fibrillation	Bristol-Meyers Squibb
Epclusa	Pill	Hepatitis C	Gilead
Farxiga	Pill	Diabetes, heart failure	Astra Zeneca
Humalog	Insulin	Diabetes	Eli Lilly
Januvia	Pill	Diabetes	Merck
Jardiance	Pill	Diabetes	Boehringer-Ingelheim
Lantus	Insulin	Diabetes	Sanofi
Steglatro	Pill	Diabetes	Merck
Symbicort	Inhaler	COPD and Asthma	Astra Zeneca
Trulicity	Injectable	Diabetes	Eli Lilly

Complete survey results available upon request