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NACHC FILES SUIT AGAINST HHS TO DEFEND THE 340B DRUG DISCOUNT PROGRAM FROM Rx MANUFACTURER ATTACKS

The National Association of Community Health Centers (NACHC) has filed suit to take action in response to recent moves by drug manufacturers to dismantle the health center federal 340B drug discount program. The suit seeks to compel the Department of Health and Human Services (HHS) to implement a long-delayed dispute resolution process that would allow health centers to act against drug companies that are violating the 340B statute and have abruptly stopped shipping discounted drugs to health centers' contracted pharmacies. Across the country, millions of lives are at stake and health center operations and budgets face possible devastation in the midst of an overwhelming public health pandemic.

The 340B program is critical for health centers' ability to make medications affordable for patients, and to generate savings that are used to expand access to other services. Previously, most health centers were unable to afford to provide their patients with access to discounted drugs. NACHC estimates that 10 million low-income patients will suffer reduced access to health center services and affordable medicine unless HHS acts now to protect the program. Bipartisan Members of Congress have urged HHS Secretary [Alex Azar in a letter](#) to take "immediate action" because drug manufacturers are setting "a dangerous precedent."

America's Health Centers care for 30 million patients nationwide across nearly 14,000 communities and are able to provide life-saving medicines and services because of the federal 340B program. Twelve percent of health center patients have tested positive for COVID-19, typically suffer from chronic health conditions and rely on low-cost 340B medicines and other health center services to stay healthy and out of hospitals. Yet many of the wealthiest pharmaceutical manufacturers are refusing to ship 340B discounted drugs to contract pharmacies, which are used by thousands of health centers. NACHC has fielded hundreds of complaints from health centers in the past few weeks about high drug prices that low income patients will be forced to pay. For instance:

- A health center patient may now pay up to \$600 for a 30 day supply of insulin that used to cost \$17.
- The price of preventive inhaler for asthma may rise from \$17-18 to \$350 or more per month.

In its filing NACHC noted that:



“The manufacturers’ abrupt about-face, after decades of shipping [health centers’] purchases of 340B-priced drugs to their contract pharmacies—during a global pandemic and a recession—is not only callous, but a clear violation of 340B statutory requirements and the binding pharmaceutical pricing agreements manufacturers have with HHS.”

NACHC’s suit presses HHS to promulgate administrative dispute resolution (“ADR”) regulations and implement a process to adjudicate and remedy the 340B violations. While HHS has signaled some disapproval of recent manufacturers’ practices, **no action has been taken** despite concerns raised by hundreds of bipartisan Members of Congress.

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Established in 1971, the National Association of Community Health Centers (NACHC) serves as the national voice for America’s Health Centers and as an advocate for health care access for the medically underserved and uninsured.