

# The 340B Coalition

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March 26, 2021

*Sent via email (abricker@express-scripts.com)*

Amy Bricker  
President  
Express Scripts PBM  
1 Express Way  
Saint Louis, MO 63121-1824

## **Re: New 340B Claim Identification Requirement**

Dear Ms. Bricker:

We are writing on behalf the 340B Coalition, which consists of 13 national associations representing the thousands of safety-net providers and organizations enrolled in the 340B federal drug discount program, including hospitals, community health centers, and a broad range of clinics. We are contacting you after hearing from a significant number of our members who were shocked by Express Scripts' February 24 notice to 340B covered entities and contract pharmacies announcing that pharmacies will need to retrospectively identify 340B claims by submitting an N1 transaction, effective March 1. Our members have reported that it will be impossible to implement the requirement without a massive investment of financial and human resources, jeopardizing the 340B benefit enacted by Congress. We ask that Express Scripts withdraw this new policy and work with the 340B provider community on this issue. We also request a meeting with Express Scripts to discuss the implications for the 340B program.

No payer has ever required use of the N1 for 340B claims in the 10 years since it was first authorized by the National Council for Prescription Drug Program. 340B covered entities and their pharmacy partners currently lack the systems and processes to submit the N1 for 340B claims, and it would require great time and expense to attempt to operationalize that policy, as it would require manually updating millions of claims.

Nearly 30 years ago, Congress enacted the 340B program to give eligible safety-net providers and organizations access to drug discounts to allow them to stretch their scarce resources so that they may "reach more patients" and furnish "more comprehensive services."<sup>1</sup> Congress' clear intent would be frustrated if Express Scripts' new 340B claim identification requirement were to impede covered entities' ability to use 340B drugs for Express Scripts enrollees. Losing access to 340B discounts for Express Scripts beneficiaries would erode the vital 340B financial benefit that entities rely upon to carry out their safety-net missions. Given Express Scripts' large national market share and large presence in some local markets, such a loss would be financially devastating for many affected covered entities and their patients. There is nothing in the 340B statute permitting payers to establish billing requirements for 340B drugs that

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<sup>1</sup> H. Rep. 102-384, 102d Cong., pt.2, at 12 (2d Sess. 1992).

340B Coalition Letter to Amy Bricker

March 26, 2021

Page 2 of 3

could effectively cut off covered entities' access to the program

Given the March 1 effective date, we would greatly appreciate a response from Express Scripts as soon as possible. Organizational contacts are listed in the attachment. Thank you for your time and consideration of our request.

Sincerely,

The 340B Coalition

Cc: Sarah Heiney, Senior Director, Provider Contracting and Strategy at Express Scripts

340B Coalition Letter to Amy Bricker

March 26, 2021

Page 3 of 3

**Organizational Contacts**

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