



AHF Warns: Don't let Pharma Harm the 340B Drug Program

John Hassell, National Director of Advocacy for AHF

WASHINGTON (February 9, 2022) AIDS Healthcare Foundation ([AHF](#)) strongly opposes any effort to introduce federal legislation affecting the 340B Drug Pricing Program. Drug companies have unlawfully manufactured a crisis, cheating nonprofit safety net providers out of revenue. These same companies are seeking to exploit this crisis to further weaken the 340B program. 340B providers should stand firm against this threat.

The [340B Drug Pricing Program](#) is a U.S. government program that requires drug companies to provide drugs to eligible nonprofit, safety net organizations at a discount. The intent of the program is to allow these nonprofits to "stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services." This program, which reaps enormous benefits, costs taxpayers nothing.

Drug companies, which simply cannot abide reduced profits, have tried unsuccessfully for a number of years to get Congress to amend the statute and weaken the program. They have been beaten back by the 340B providers, who have relentlessly shown the benefits of this program.

Pharma has now hit on a new strategy – get 340B participants – the public health safety net – to do their dirty work for them.

Drug companies are now unilaterally and unlawfully limiting where 340B drugs can be dispensed. This makes it harder for patients to access these lifesaving drugs, so fewer 340B drugs are dispensed, and the revenues from nonprofit providers goes down, making it harder for them to provide critical health services. The federal government has rightfully opposed this effort, and there are numerous lawsuits aiming to block it.

Feeling the financial squeeze put on them by pharma, nonprofits like community health centers and rural hospitals feel they have no choice but to go to Congress to ask for relief. This is exactly what the companies want and intended – to reopen the 340B program, where they can use their immense wealth and lobbying power to further harm the program.

Asking Congress to intervene is a dangerous move. The drug industry has no shame. These same companies have been lobbying for years to strangle the program. They will certainly use any legislation as an opportunity to further undermine a program that strengthens the health care safety net and costs taxpayers nothing.

Pharma is no stranger to reneging on agreements. The drug industry supported the Affordable Care Act (ACA) in 2010 which specifically expanded the 340B program to allow more nonprofit providers to use the savings from the discount to provide more services to vulnerable populations. In exchange, the drug companies got access to the enormous multi-billion-dollar Medicaid prescription drug market. The drug companies actively pushed for the ACA because they knew that, between Medicaid expansion and the individual mandate, they would have a payer source for their drugs for tens of millions of new people. They made out like bandits.

Fast forward to 2022, they've put a gun to the heads of covered entities and refuse to sell prescription drugs at the legally mandated 340B discounted price to covered entities that use contract pharmacies. Members of Congress of both parties depend on these same companies for campaign cash and its extremely naïve to expect a good solution from Congress. AHF demands that the government enforce the law and brings these greedy companies to justice.

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AIDS Healthcare Foundation (AHF), the largest global AIDS organization, currently provides medical care and/or services to over 1.7 million clients in 45 countries worldwide in the US, Africa, Latin America/Caribbean, the Asia/Pacific Region and Europe. To learn more about AHF, please visit our website: www.aidshealth.org, find us on Facebook: www.facebook.com/aidshealth and follow us on Twitter: [@aidshealthcare](https://twitter.com/aidshealthcare) and Instagram: [@aidshealthcare](https://www.instagram.com/aidshealthcare)

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