

Leaked WH Document Calls For CHCs To Charge Low-Income Patients 340B Prices

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HHS intends to propose that community health centers charge low-income patients no more than the 340B price, plus a dispensing fee, for drugs purchased under the discount program as a condition for receiving funding or grants, according to a draft HHS budget document leaked Wednesday (April 16) that also reveals the department's proposals to shift administration of 340B from the Health Resources and Services Administration (HRSA) to CMS.

Patients with income at or below 200% of the federal poverty level would be eligible for the discounts on drugs that were purchased via 340B under the proposal described in the draft document. Separately, the Trump administration issued an executive order this week that seeks to revive a proposal from the first Trump administration requiring CHCs to charge patients the 340B price for insulin and epinephrine.

The leaked document, first reported by *The Washington Post*, also reveals HHS' plan to shift HRSA's Office of Pharmacy Affairs, which administers 340B, to CMS - and set funding at about \$12.3 million for the program in 2026.

"The Budget proposes new authority to regulate all aspects of the 340B program and to require covered entities to report use of 340B savings. This will enable HHS to set clear enforceable standards for participation in the 340B program and ensure that the program is used to benefit low-income and uninsured patients of the covered entities," the document says.

HHS also intends to propose a process for updating the Medically Underserved Area and Medically Underserved Population labels to ensure that health centers continue to serve as a safety net in those regions.

The reorganization would move oversight of CHCs from the Health Resources and Services Administration, now consolidated into the newly established Administration for Healthy America, to the purview of AHA's Primary Care division and the program would be funded at \$1.7 billion through 2026, according to the draft document.

The Certified Community Behavioral Health Clinics (CCBHC) program, however, would be slashed under HHS' draft plan.

Community health center stakeholders who raised alarm that the Trump administration's initial effort to require CHCs charge the 340B cost for insulin and epinephrine would be

overly burdensome have the same concerns about the draft budget plan -- and say the proposed policy could be even more chaotic.

The EO only includes two drugs, the sources point out. 340B prices are updated quarterly and if CHCs have to track every price -- and every patient's income level -- that's a burden they say most centers would be unable to meet.

Sources also point out that CHCs' contract pharmacies may be unwilling to assist.

The 340B program is enormously important for CHCs -- and it's sad that they're the focus of a crackdown when they make up only about 5% of the drug discount programs overall spend, the sources sympathetic to CHCs say.

The proposal to end the CBHCC's is also troubling to the sources, who note the country's mental health care crisis has not slowed.

Overall, it is a perilous moment for community health centers, the stakeholders say, as the proposals come on top of uncertainty surrounding long-term funding and potential changes to Medicaid that would also affect the centers' solvency.

If the intention is to make America healthy, that will require an investment in primary care, but many of the proposals would severely damage the nation's largest network of physicians -- so it's unclear how the administration plans to achieve those goals if the foundation is not there, the stakeholders say. The lack of clarity from HHS also makes it more difficult, says a source, who adds that a statement of principle or other clear communication about the overall goal would help stakeholders breathe easier. -- Amy Lotven(alotven@iwppnews.com)