The truth about how lower drug costs from 340B affect you | Opinion

- The 340B program allows safety-net providers, such as community health centers, to stretch scarce federal resources and reinvest savings directly into patient care.
- 340B is not the cause of rising premiums.
- S.B. 198 and H.B. 276 will not expand 340B. They protect patients' ability to fill prescriptions at their local pharmacy of choice.

In a recent opinion piece, it was suggested the federal 340B Drug Pricing Program is contributing to rising employer health-care costs.

As CEO of the Ohio Association of Community Health Centers (OACHC), I respectfully disagree and would like to express strong support of Senate Bill 198 and House Bill 276, colloquially known as the Ohio 340B Pharmacy Access Act.

We agree with several important points raised in the op-ed. Health insurance premiums are rising for Ohio employers and families. Small businesses are understandably concerned about long-term affordability. Research from the National Federation of Independent Business reflects that concern, noting that 98% of small businesses offering health insurance worry that offering health insurance costs could become unsustainable within the next five years.

That finding speaks to a long-term anxiety about overall health inflation. It does not attribute rising premiums to the 340B program, which requires pharmaceutical manufacturers participating in Medicaid to offer significant drug discounts to eligible safety net

hospitals and clinics. It also does not suggest that Ohio's safety net providers are driving up employer costs.

There are real cost drivers in today's health-care system, including pharmaceutical pricing practices, administrative complexity and broader market dynamics. We respect legislators who are willing to take on difficult policy challenges to address those pressures and help their constituents. Those conversations are necessary.

However, the 340B Drug Pricing Program is not one of the drivers of employer premium increases.

Ohio's Community Health Centers serve more than 1 million patients annually: working families, seniors, veterans and children, the majority of whom reside at or below the federal poverty line.

The 340B program allows safety-net providers, such as community health centers, to stretch scarce federal resources and reinvest savings directly into patient care. The program is federally regulated and overseen by the Health Resources and Services Administration (HRSA) under the U.S. Department of Health and Human Services (HHS).

Participating health centers are subject to strict eligibility requirements and audits, and 340B savings must be reinvested into services that expand access to care. Claims of widespread abuse by community health centers are not even slightly supported by federal oversight findings.

The 340B program does not set or increase employer premiums, nor does it set drug prices. Employer prescription drug costs are determined through negotiations among pharmaceutical manufacturers, pharmacy benefit managers (PBMs) and insurers. The 340B program simply permits eligible providers to purchase certain outpatient medications at a discount. It does not set drug or list prices, determine reimbursement rates or add costs to employer health plans.

If 340B were driving employer costs, employers would have seen relief after restrictions began in 2020. They have not.

Beginning in 2020, pharmaceutical manufacturers imposed sweeping restrictions on 340B contract pharmacy arrangements nationwide. If 340B participation were inflating employer premiums, those restrictions should have produced cost reductions for the employers.

Instead, employer health insurance costs have continued to rise year after year, even as patient access to discounted medications has been curtailed.

That reality makes clear that 340B is not the cause of rising premiums.

340B savings are reinvested locally, not taken as profit. Community health centers use 340B savings to expand services inside and outside the pharmacy arena, regardless of a patient's insurance status – and actually, they make medically necessary medications affordable for all patients.

And finally, study after study reinforces that community health centers reduce preventable hospitalizations and emergency department visits, leading to a reduction in overall health system costs.

S.B. 198 and H.B. 276 will not expand the 340B program. The legislation applies to only non-hospital 340B providers and ensures that pharmaceutical manufacturers cannot unilaterally restrict access to 340B-priced medications through contracted community pharmacies.

These bills protect patients' ability to fill prescriptions at their local pharmacy of choice, rather than being forced to travel across town or to the other side of the county due to manufacturer-imposed limitations. That protection is especially critical in rural and underserved communities.

We appreciate lawmakers who are willing to address the true drivers of health-care inflation. We respectfully ask that they apply that same commitment to protecting patient access through passage of S.B. 198 and H.B. 276.

For Ohio's safety-net providers and the communities so well served, this issue is about access, affordability and keeping care in the community and close to home.

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