



## 340B: The Battle for Access and the Shift in Momentum

In the ever-evolving landscape of the 340B program, the pendulum of public sentiment never rests. Industry lobbyists push agendas, journalists report, and opinions craft narratives, many of them misinformed. Yet, much of the noise, whether positive or negative, whose voices truly matter? Who has the power to influence the future of the 340B program?

### **COMMON 340B PROGRAM MISCONCEPTIONS:**

For years, pharmacy benefit management (PBM) companies and pharmaceutical manufacturers have fueled misconceptions, to delegitimize the nature of the 340B program and the positive impact it has on one of the most vital sectors of healthcare in the United States.

Here is the reality:

#### **MYTH: 340B ENTITIES ARE PROFIT-DRIVEN HOSPITALS AND PHARMACY CHAINS**

**FACT:** 340B is designed to support nonprofit hospitals, community health centers, HIV/AIDS clinics, and other safety-net providers who serve low-income, uninsured, or underinsured patients. The program enables qualified health systems to reinvest savings into their bottom line, offsetting losses from services provided or allowing them to expand their scope of services for the populations served.



#### **MYTH: 340B BENEFITING HEALTH SYSTEMS MORE THAN PATIENTS**

**FACT:** Covered entities qualify for the 340B program based on the population they serve and the services they provide. The program is intended to generate savings through third-party transactions from eligible patients at the covered entity. The savings offset losses incurred from providing care to uninsured or underinsured patients and help reduce the need for federal subsidies. In this way, 340B can be considered a Keynesian economic model for health systems, designed to sustain or expand services for underserved populations.

## **MYTH: 340B SAVINGS CAN ONLY BE USED TO DISCOUNT MEDICATION**

**FACT:** The savings generated from the 340B program can be used in various ways, beyond offering subsidized medications. These savings are often reinvested in essential healthcare infrastructure improvements, behavioral health and substance abuse programs, physician and staff additions, care coordination services, technology enhancements, and more.

Every 340B professional can share countless stories of how covered entities have used these savings to keep their doors open or expand services for their communities. At the end of the day opinions, whether from advocates or critics, matter less than the decisions that could shape the future of 340B.

## **THE FIGHT FOR 340B: STATE OFFICIALS ACT**

Since 2020, the 340B program has faced significant challenges, primarily due to manufacturer restrictions. According to a report by the U.S. Department of Health and Human Services, an additional \$2 billion per year is needed to offset the losses covered entities face from these restrictions, many of which are considered by the industry to be unlawful. On average, hospital covered entities have experienced losses of nearly \$3 million each annually through 2024. As the pendulum has swung in favor of big pharma since 2020, many state legislators are taking action to shift momentum back in favor of the 340B program and covered entities.

From 2021 through the first quarter of 2025, at least 28 states have introduced legislation to protect the rights of covered entities to access savings through the 340B program and contract pharmacy partners. The efforts of these state legislators are crucial in holding the industry accountable.



Here are just a few states making waves:

Arkansas: Act 1103 (2021)

Louisiana: SB358 (2023)

West Virginia: SB325 (2024)

Maryland: SB986 & HB1056 (2024)

Mississippi: HB728 (2023) & HB1455 (2025)

Minnesota: SF2625 & HB3091 (2024)

Kansas: SB236 (2024)

Missouri: SB751 (2024)

Nebraska: LB984

Utah: SB69 (2025) & HB519 (2025)

Colorado: SB25071 (2025)

Maine: SP435 (2025)

New Hampshire: SB253 (2025)

New York: SB1913 (2025)

North Dakota: HB1473 (2025)

South Dakota: SB154 (2025)

Iowa: HF590 (2025)

Illinois: SB2385 & SB3727 (2025)

Kentucky: HB685 (2025)

Michigan: SB94 (2025)

Rhode Island: SB114 (2025)

Tennessee: HB1242 (2025)

Georgia: HB139 (2025)

Oregon: SB533 & HB2385 (2025)

Idaho: H0385 (2025)

New Mexico: HB78 (2025)

Texas: HB3265 (2025)

Oklahoma: SB1030 (2025)



### WHAT'S NEXT?

The battle for 340B isn't just about policy, it's about ensuring that America's most vulnerable patients continue to receive the care they need. Now more than ever, it is crucial for the remaining states to take similar action. The services provided by 340B covered entities are essential to delivering quality care, and we all share the responsibility to ensure they continue to thrive. State leaders are taking a stand. Now it is time for others to follow.

**THE FIGHT FOR 340B ACCESS IS FAR FROM OVER. LET'S KEEP THE MOMENTUM GOING.**

Contact us today!

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