

# NRHA 340B PRIORITIES

The 340B Drug Pricing Program is a lifeline that allows rural safety net providers to stretch scarce federal resources and keep their doors open to provide vital services to their communities. Significant 340B Program restrictions by manufacturers and pharmaceutical benefit managers (PBMs) are hurting already struggling hospitals and clinics.



## Protecting Patients

H.R. 2534

### Support PROTECT 340B Act

*Reps. Spanberger (D-VA) and Johnson (R-SD)*

Recently health insurers and PBMs have undermined the integrity of 340B for rural providers. This legislation would protect the program by prohibiting insurers and PBMs from discriminating against 340B covered entities or their contract pharmacies by holding payers and PBMs accountable for treating covered entities with regards to reimbursement of fees, patient's choice of pharmacies, and participating in standard or preferred networks.

Contract Pharmacy

### Preserve contract pharmacy access

Congress must curb manufacturers' restrictions on the number of contract pharmacies that a covered entity may use, which disproportionately constrains access for rural patients. Many rural covered entities are too small to support an in-house pharmacy and must rely upon outside pharmacies. The reality of rural geography is that rural providers have a patient base spread among a large geographic area. This makes maintaining access to unlimited contract pharmacies critical to ensuring rural patients can receive their 340B drugs at a convenient, local location.

## Supporting Providers

### Extend DSH waiver for 2 years

Safety net hospitals were protected from losing 340B status due to changes in their disproportionate share (DSH) thresholds through cost reporting periods in 2022. Now that this protection has ended, more than 400 mostly small, rural hospitals are at-risk of losing eligibility in 2024 due to pandemic-era effects continuing to lower their DSH percentages. Congress must pass legislation to enact a 2-year extension for 340B eligibility protections.

DSH Waiver

### Make REHs eligible for the 340B Program

The newly established Rural Emergency Hospital (REH) designation is not an eligibility entity for the 340B program, meaning rural hospitals converting to REH designation lose their ability to participate. Congress must take swift action to add REHs to the 340B program to preserve access to this lifeline for rural safety net hospitals.

REH Eligibility