

# PRESERVING THE 340B DRUG PRICING PROGRAM

*Caring for Vulnerable Populations*

MAY 2025

It is vital that stakeholders work together to preserve the 340B program and protect the free and reduced-cost care and access provided by Connecticut hospitals.

Protective legislation **MUST** include hospitals and the patients and the communities they serve.

## What is the 340B Drug Pricing Program?

The assistance made possible by the federal 340B Drug Pricing Program supports communities across our state. The 340B program requires pharmaceutical manufacturers participating in Medicaid to sell outpatient drugs at discounted prices to qualifying healthcare organizations, such as hospitals and federally qualified health centers. By enabling eligible hospitals to purchase some drugs at a discount, this program helps shield hospitals from even greater financial strain.

In Connecticut, hospitals that are eligible for the federal 340B program qualify by meeting a disproportionate share hospital percentage. Meaning these hospitals are treating a disproportionately high percentage of low-income or uninsured patients for whom hospitals subsidize care.

Hospitals reinvest the savings derived from these discounts into initiatives that improve access to healthcare services, including critical financial assistance policies that provide free and reduced-cost care to low-income, uninsured, and underinsured patients.

## Supporting Critical Services and Care

In 2023, the savings derived from the 340B program helped Connecticut hospitals and health systems contribute [\\$3.5 billion in community health](#) investments, this includes \$1.43 billion in unreimbursed care for low-income Medicaid beneficiaries, \$1.38 billion in unreimbursed care for Medicare beneficiaries, and nearly \$271 million in uncompensated care (charity care/bad debt).

And every year, the dollars saved as a result of 340B discounts are put back into services like free screenings for breast, skin, lung, and prostate cancers; transportation for patients to and from medical appointments; and vans that go into the community to provide pediatric dental services, to name just a few [examples](#).

## Challenges to the Program

We have seen national drug manufacturers try to undermine the 340B program to evade their legal responsibility to provide discounts that benefit vulnerable populations served by hospitals.

Drug manufacturers have been fighting in the courts to erase 340B contract pharmacy flexibility, which allows hospitals to use pharmacies in the community to dispense drugs on their behalf. Drug manufacturers have also tried to put more and more requirements on the program to their benefit and to the detriment of patients and their access to care.

## Action is Needed

Lawmakers are considering legislation to protect the 340B program from abuses being pushed by national pharmaceutical companies. **These are important protections that should be extended to hospitals and the patients and the communities they serve.**

It's critical that we work collaboratively to protect the 340B program by prohibiting the actions by pharmaceutical manufacturers that deny, restrict, prohibit, and discriminate against the acquisition of 340B drugs by a pharmacy that is under contract with a covered entity.

**To achieve necessary protections, the definition of "covered entity" in any protective legislation **MUST include hospitals.****

**A well-functioning 340B program is essential to hospitals that serve vulnerable communities and stretch scarce federal resources as far as possible to support essential services for their communities.**



[Learn more.](#)

Contact CHA Government Relations at (203) 294-7301.

