



# What's at Stake

## ISSUE BRIEF

## Illinois Patient Access to 340B Pharmacy Protection Act Support HB 2371 SA2

**Issue:** Pharmaceutical companies are limiting the dispensing of lifesaving medications acquired through the 340B drug discount program, hindering access to care and exacerbating health disparities.

**Solution:** The Illinois Patient Access to 340B Pharmacy Protection Act – modeled on similar legislation passed in Arkansas and Louisiana – prohibits pharmaceutical manufacturers from prohibiting, restricting, or interfering with a local pharmacy that contracts with a 340B covered entity, such as a hospital or federally qualified health center (FQHC), to dispense medications acquired through the 340B program.

### IHA, ASNCH & IPHCA Position:

- ▶ Since 1992, the federal 340B drug discount program has required pharmaceutical manufacturers (“Big Pharma”) to sell drugs at a discount to healthcare organizations, including many hospitals and FQHCs (covered entities) that care for uninsured and low-income patients. The **340B program allows covered entities to use those savings to “stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.”**
- ▶ **Illinois covered entities use 340B savings to improve access to affordable drugs for uninsured patients, as well as to increase access to healthcare services in underserved communities** such as free colonoscopies and mammograms, free transportation to medical appointments, and mobile clinics.
- ▶ The Illinois Patient Access to 340B Pharmacy Protection Act **does not require additional state or federal funding**; rather, it protects patient access to low-cost drugs and services through the program that is already in place.
- ▶ The **340B program is especially important for Illinois’ safety-net providers** that predominantly serve Medicare, Medicaid, and uninsured patients. By contracting with local pharmacies, 340B covered entities expand access to care **by ensuring that the drugs needed by their patients are available at their local pharmacy** – including drugs to treat both common, chronic conditions as well as rare and complex conditions.
- ▶ Unfortunately, Big Pharma is impeding Illinois residents’ access to life-saving drugs by limiting or placing conditions on the ability of 340B covered entities to distribute discounted drugs through contract pharmacies.
- ▶ The Illinois Patient Access to 340B Pharmacy Protection Act **will help assure access to life-saving drugs for patients** served by 340B covered entities by prohibiting pharmaceutical manufacturers from restricting or interfering with 340B covered entities and their contract pharmacies.
- ▶ The Illinois Patient Access to 340B Pharmacy Protection Act, **aligns with similar laws passed in more than 20 states, exercises the State’s authority to regulate the distribution of drugs and protect access to healthcare**, and thereby, complements the requirements of the federal 340B statute.
- ▶ Big Pharma’s legal challenges to state legislation across the country have fallen short, with the U.S. Supreme Court denying the request to hear the case challenging Arkansas’ 340B contract pharmacy law, thereby upholding the U.S. Court of Appeals 8th Circuit’s finding that Arkansas’ law was not preempted by federal law.