



# 340B PROGRAM

The 340B drug pricing program was signed into law by Congress in 1992 as Section 340B of the Public Health Service Act, created under Section 602 of the Veterans Health Care Act. Section 340B requires manufacturers to provide discounts on eligible outpatient drugs to safety-net organizations, designated as “covered entities”, to allow these covered entities to “stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services” (H.R. Rep. No. 102-384 (11), at 12 (1992)). In order to participate in the Medicaid and Medicare Part B markets, pharmaceutical companies must agree to provide outpatient pharmaceuticals to safety-net providers at a discounted rate. Section 340B helps ensure healthcare providers that serve large numbers of poor and vulnerable populations can continue their mission to provide care to all regardless of ability to pay.

As a covered entity participating in the 340B Program, there are requirements to maintain program integrity and ensure compliance with state and federal laws at all times, with the responsibility resting solely on the covered entity. Requirements include, but are not limited to, preventing duplicate discounts and diversion, maintaining auditable records, and providing accurate information on the OPA database.

At Audubon County Memorial Hospital and Clinics (ACMH), we pride ourselves in operating a 340B Program that is held to the highest standard of program integrity. Consistent with the original intent of the program, ACMH makes every effort to comply with all state and federal regulations related to the 340B Program savings to fund care coordination efforts, prescription coverage assistance programs, service expansions, and other patient care related efforts. To uphold this standard, ACMH staff determine appropriate prescriptions based on medical necessity and are in no way coerced to shift prescribing behavior to benefit the 340B Program. ACMH fully supports the protection of the 340B Program through efforts of transparency and honesty.

ACMH uses the savings from the 340B program to reduce cost and expand services for vulnerable patients by increasing patient access to affordable prescription drugs. Savings are used to enhance the pharmacy department and outpatient clinic’s ability to service the uninsured and underinsured; assists us to afford a full time general surgeon which would not be possible without savings from the program; being able to make renovations to improve patient safety such as a safe psychiatric room while patients await transfer to a psychiatric facility; enables us to provide expensive medications to our local community that prevents unnecessary travel; helps maintain an adequate supply of inventory to meet patient demand while avoiding restrictive formularies; funds patient education; and helps us maintain a fully staffed pharmacy with a doctorate level pharmacist.

Should you have any questions regarding the 340B Program and how the 340B Program is operated at ACMH, feel free to contact Brett Pietig, Director of Pharmacy at [Pietigb@acmhosp.org](mailto:Pietigb@acmhosp.org).

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