SB 533/HB 2385: Protecting Oregonians' access to medications

What is the 340B program?

Section 340B of the Public Health Service Act requires drug companies participating in Medicaid to provide discounted medications to hospitals and clinics that serve large numbers of low-income patients. These discounts allow hospitals to stretch their resources and provide vital services to their communities that they might otherwise be unable to afford.

The problem

Profit-driven drug companies are restricting which pharmacies can fill prescriptions for patients under the 340B program. The costs for the program are subsidized by the drug manufacturers who participate in the program, not the federal government, which is why drug manufacturers want to limit the program's use wherever possible.

The solution

SB 533/HB 2385 prohibits drug manufacturers from controlling the acquisition, delivery, or the dispensing of a 340B drug by a contracted pharmacy. Because of rampant interference by drug manufacturers with 340B contract pharmacies, at least eight other states have passed legislation similar to SB 533/HB 2385.

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Oregonians rely on contract pharmacies to get the medications they need, especially in rural areas.

Nearly half of all 340B hospitals are located in rural areas, and more than 80% rely on contract pharmacies to serve their communities. These pharmacies eliminate the need for patients to travel long distances to hospitals by offering local or mail-order options. Even hospitals with in-house pharmacies depend on contract pharmacies to provide specialty medications they cannot stock, helping provide high-quality care for their communities.

PhRMA is highly motivated to stop contract pharmacy arrangements because drug purchases under the 340B program are growing, cutting into drug companies' already-inflated profits.

Drug companies are targeting contract pharmacy arrangements under the 340B program because the program's growth is reducing their already-inflated profits. This growth reflects the increasing complexity and scope of outpatient care, as more treatments shift to lower-cost settings. Spending on outpatient drugs, including those for critical conditions like cancer and HIV, has naturally increased. Instead of supporting vulnerable patients, drug companies are prioritizing profits at the expense of Oregonians' access to life-saving medications.

Drug companies want you to believe that hospitals are taking advantage of the program. The truth is hospitals are subject to rigorous audits by the federal government.

Hospitals operate under stringent federal oversight. To participate, hospitals must recertify their eligibility annually, adhere to detailed program requirements, and undergo rigorous audits by the Health Resources and Services Administration (HRSA) and drug manufacturers. These audits evaluate compliance, including verifying that 340B drugs are dispensed only to eligible patients and preventing duplicate discounts.

Recertify eligibility annually

Adhere to detailed program requirements

Undergo rigorous audits

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Support SB 533/HB 2385 to hold drug companies accountable so Oregonians can continue to get access to the medications they need.

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