



Illinois Patient Access to 340B Pharmacy Protection Act Support SB 3727 (Sponsored by Sen. Ann Gillespie)

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 & 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 access to life-saving drugs to Illinois residents by limiting or placing conditions on the ability of 340B covered entities to distribute discounted drugs through contract pharmacies like Walgreens or CVS. While the federal government has sought to impose civil monetary penalties on several drug companies for such actions, some courts have refused to enforce them finding that the federal statute is ambiguous on contract pharmacy arrangements, which is why **states around the country are now taking action.**
- 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, **modeled on similar legislation in Arkansas and Louisiana, 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.