Illinois Health and Hospital Association

There's a lot on the line for patients as pharmaceutical companies restrict which local pharmacies can participate in the 340B drug discount program. At Hammond-Henry Hospital in Geneseo, a city of about 6,500, the savings from the federal drug program funds services that wouldn't otherwise be available in the rural communities the hospital serves.

Located 20 miles east of the Quad Cities, Geneseo's population had a per capita income of about $41,260 between 2019 and 2023. Facing cuts unless pharmaceutical companies are held to account are:

- Outpatient pediatric therapy, including physical, occupational and speech therapy mostly serving children of low-income families;
- Long-term care through a 38-bed long-term care unit attached to the hospital that includes Medicaid-approved beds;
- Sports medicine with free on-field student screening and triage of student injuries, including concussion programming; and
- Free injury screening to the community, a highly utilized pro bono service providing triage instruction on low-level injuries.

The Illinois Patient Access to 340B Pharmacy Access Protection Act prohibits pharmaceutical companies from restricting a local pharmacy that contracts with a 340B hospital from dispensing medications acquired through the 340B program.

In 2020, pharmaceutical companies began withholding 340B drug discounts dispensed on behalf of 340B hospitals through contract pharmacies such as Walgreens, which has limited the distribution of 340B drugs and reduced much-needed funding that hospitals dedicate to patient services and care.

Hammond-Henry Hospital has seen a nearly 10% reduction in 340B contract pharmacy revenues between 2021 and 2023, and was forced to shutter its pain clinic, which wasn't financially viable but was a benefit to the community, in 2022. Hospital leaders are hoping to reinstate the pain clinic.

"Financial viability for a Critical Access Hospital, like Hammond-Henry, is a constant concern," the hospital said. "As manufacturers restrict retail spaces that can qualify for 340B revenues, Hammond-Henry sees funding reduced, and our ability to provide our lower-earning community with healthcare options diminishes."