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For Immediate Release

Wisconsin Health Care Groups Support Federal Legislation to Protect Access to the Health Care Safety Net and Affordable Medications for Wisconsin Patients

Madison, WI – Wisconsin health care leaders enthusiastically support the PROTECT 340B Act, a new bipartisan federal bill that would prohibit pharmacy middlemen from boosting their profits by depriving health care entities and their medically-underserved patients of resources provided under federal law. In recent years, some pharmacy benefit managers and third-party payers have attempted to pocket savings from 340B, a federal program designed to make prescription drugs more affordable, thereby threatening access to critical health care services provided across Wisconsin. In a joint effort, the Wisconsin Primary Health Care Association (WPHCA), Wisconsin Hospital Association (WHA), and Vivent Health share their support for protecting the 340B Drug Pricing Program as an essential part of our nation's health care safety net, the aim of the PROTECT 340B Act. The coalition also calls on Wisconsin's congressional delegation to show their support for sustaining access to critical health care services by signing on to co-sponsor House Resolution 4390, the PROTECT 340B Act.

The bipartisan PROTECT 340B Act, introduced by Representatives McKinley (R-WV) and Spanberger (D-VA), seeks to prevent pharmacy benefit managers (PBMs) and third-party payers from engaging in practices that reduce the ability of the critical health care safety net, including Community Health Centers, safety-net hospitals, and Ryan White HIV/AIDS clinics, from fully participating in the federal 340B Drug Pricing Program. Established by Congress in 1992, the 340B program requires pharmaceutical companies to provide drugs at discounted prices to safety net providers, which treat a high proportion of patients without health insurance or who are on Medicaid. Safety-net health providers play an important role in serving medically and socially vulnerable populations in both rural and urban locations throughout Wisconsin.

Healthcare providers currently reinvest the savings to improve patient services and access to care for medically vulnerable individuals and underserved populations. Using 340B savings, clinics and hospitals support a range of services including providing discounted drugs for uninsured and underinsured patients, deploying clinical pharmacy services to improve chronic disease management, and investing in frontline staff including physicians, nurses, dentists, and mental health professionals, to increase access to care.

In recent years, some pharmacy middlemen have found creative ways to take these savings from safety net providers, instead of allowing them to reinvest these savings in patient services, as intended by the 340B program. Examples of this practice include discriminatory pricing and contracting arrangements in which insurers or PBMs pay less for a drug purchased under 340B than under a non-340B provider and when third parties impose higher fees on a pharmacy because it dispenses 340B medications.

The PROTECT 340B Act will prohibit these types of discriminatory practices, ensuring that 340B savings stay where they belong – with safety net providers who serve low-income patients and individuals with limited access to care. The bill builds on bipartisan laws enacted in at least 15 states that also aim to prohibit discriminatory pricing.



“Especially at a time when communities are combatting the COVID-19 pandemic, access to affordable medications and safety net services are essential to the integrated, high-quality care provided at Community Health Centers. The 340B program is an essential component of that system, and we urge our Members of Congress to protect the integrity of the program as established by Congress. More work will remain to ensure that patients can access the drugs they need at a cost they can afford, but this is an important step forward,” commented Stephanie Harrison, CEO, WPHCA.

“Congress intended these 340B savings to go to hospitals and other health care providers that serve a large share of Medicaid patients to help them stretch scarce federal resources. Unfortunately, some third-parties have tried to capture these 340B savings for their own purposes. This legislation would restore the original intent of the 340B prescription drug discount program to help make sure safety net providers can better serve their communities,” said Eric Borgerding, President and CEO, WHA.

“The 340B program is a critical tool to overcoming the most challenging health care crises our nation faces today and in the future. With the 340B program, we have been able to expand the reach of our successful and innovative HIV prevention, healthcare and treatment programs to more vulnerable individuals than ever before, even when government investment has remained relatively stagnant. If we are going to successfully combat public health threats like HIV, the opioid epidemic and COVID, the 340B program must function as Congress intended,” said Michael Gifford, President and CEO, Vivent Health.

The PROTECT 340B Act will not cost taxpayers a penny, but it will have a significant impact on the ability of safety net providers to continue to care for all patients, including facilitating access to affordable medications. WPHCA, WHA, and Vivent Health encourage Wisconsin’s Congressional delegation to cosponsor this bill that will stop middlemen from profiting at the expense of Wisconsin’s most vulnerable residents.

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