ASAP 340B
Policy Principles FAQ

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Why did you form ASAP 340B?

A: The goal of this Alliance is to find a path forward together in the interest of true safety-net providers and patients. Members of ASAP 340B realize the urgency to be proactive on finding solutions for all stakeholders in the 340B program. We are open to working with any stakeholders committed to strengthening the program in a way that is consistent with the Alliance's principles.

This is a group of organizations that have independent points of view, different constituencies and their own missions and focus. In fact, there are issues where we have been on opposite sides for years. Despite that, we have come together to form this Alliance because we all agree that legislative action is the only way to save the 340B program. Our core principles are the starting point to strengthen the 340B program and realign it in the interest of the safety net. We encourage any interested organizations to reach out and learn more about ASAP 340B and our goals.

Q: Is this effort just PhRMA's way of trying to end the 340B program?

A: No. PhRMA supports the 340B program and has long stated it believes the 340B program can play a vital role in helping our nation's vulnerable communities and true safety-net providers. The members of ASAP 340B joined together to find a path forward in the interest of true safety-net providers and patients, pursuing changes that protect the program while addressing areas of historic concern. Demonstrating its commitment to this goal, PhRMA is compromising on several important issues, including the role of contract pharmacies even though the concept doesn't appear in the 340B program statute.

Q: How do the ASAP 340B principles help patients?

A: The core principles focus on changes that will put the 340B program on a sustainable path by creating necessary accountability ensuring that 340B providers are serving and helping the most vulnerable patients. The core principles explicitly require 340B covered entities to have discount programs that support patient affordability and are aimed at improving access to affordable medicines. Under the current 340B statute, there is no way to verify how many patients truly benefit from the 340B program, especially at hospitals. ASAP 340B calls for more transparency for hospitals and requires sliding fee scale discount programs to provide affordable medications to the most vulnerable patients. This change, along with other changes in the principles, would mean at least 50 million Americans would be eligible for more affordable medicines at 340B providers.

Q: Would grantees and rural hospitals still be able to claim 340B discounts on prescriptions filled through specialty and mail order pharmacies?

A: Yes. Grantees and rural hospitals face unique challenges in ensuring their patients are able to access the medicines they need. Recognizing these challenges, the principles state that prescriptions filled through mail order and specialty pharmacies should qualify for 340B discounts for eligible patients of federal grantees, sole community hospitals (SCH), or critical access hospitals (CAH).

Q: Would the principles remove all subgrantees from the 340B program?

A: The principles are not intended to remove all subgrantees from the 340B program. We believe subgrantees' 340B participation should be consistent with and substantially support the aims of the relevant grant.

Q: Is there a mileage requirement on contract pharmacies included in the principles?

A: Our principles state that retail contract pharmacies should be located near the covered entity with which they have arrangements, but the principles do not provide additional specifics on how that should be assessed. The principles reflect that, in the context of broader program reforms, covered entities meeting specified criteria and maintaining protocols to prevent program violations would be permitted to use contract pharmacies to expand access to care for safety net patients. For example, our principles would permit a hospital to use contract pharmacies only if such hospital is located in a medically underserved area. We look forward to working with Congress and eligible health care providers serving rural communities to ensure they have the flexibility to use contract pharmacies to support their safety net mission.

Q: Would the principles prevent grantees from claiming 340B discounts for medicines stemming from referrals?

A: We understand grantees and rural hospitals may not be able to directly provide all health care services and instead may need to refer certain patients to other providers for care while the grantee or rural hospital continues to demonstrate overall responsibility for the patient's care. Our principles would help to ensure patients are able to access affordable medicines by permitting grantees, CAHs, and SCHs to claim 340B discounts stemming from these types of referrals.

Q: Would new hospital-related 340B policies make it harder for rural hospitals to serve their communities?

A: Rural hospitals are a vital part of our nation's safety net. Reflecting their important role in keeping our nation healthy, these reforms were crafted to ensure critical access hospitals (CAHs) and sole community hospitals (SCHs) will be better supported than they are today and would benefit from the same flexibilities as grantees, including access to contract pharmacy and the ability to use 340B for scripts filled through mail order pharmacies or generated through their patient's telehealth appointments. We welcome rural hospitals to work with ASAP 340B so that we can realign the 340B program in the interest of true safety-net providers and the communities they serve.

Q: Would new hospital eligibility requirements make it harder for public hospitals to be eligible for 340B?

A: Public hospitals have a unique mission and typically serve a disproportionate share of low-income patients in their communities. Any updated eligibility criteria should ensure true safety-net hospitals are able to meaningfully participate in the 340B program.

Q: Would covered entities lose the existing PBM payment discrimination protections they have in certain states?

A: Our principles are designed so that covered entities would not lose the existing PBM payment discrimination protections they now have in some states since those state protections would be the basis for new set of uniform federal protections. All members of ASAP 340B recognize that PBMs engage in discriminatory reimbursement practices and the time is now to have explicit protections for safety-net providers.

Q: Is ASAP 340B seeking program policy changes specific to ADAPs?

A: ADAPs would continue to be categorically eligible for the 340B program, and the coalition is not seeking changes to current policies specifically governing ADAPs.

Q: How would the principles affect Hemophilia Treatment Centers (HTCs)?

A: We recognize the unique role HTCs play in serving patients with hemophilia. The principles were designed with the intention of maintaining HTCs' current eligibility for, and use of, the 340B program. We welcome continued engagement from HTCs to work towards a 340B program that is realigned in the best interests of HTCs and other safety net providers.

Q: Is there already draft legislation?

A: There is no draft legislation. We have taken a critical step to put forward principles we believe would strengthen the program for true safety net providers and patients. ASAP 340B looks to be a convener in the 340B community to support legislative reforms consistent with our principles. We believe Congress should draft and pass legislation that accomplishes these bipartisan proposals and will advocate for such legislation.