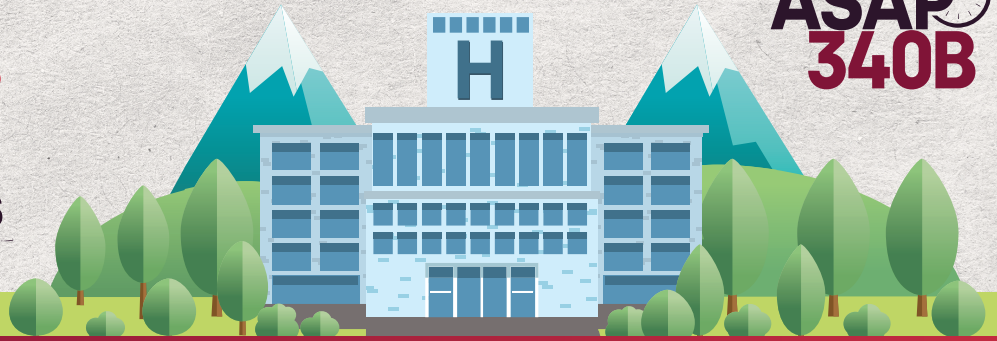


# ASAP 340B Core Principles Supporting Rural Hospitals



ASAP 340B recognizes the crucial role rural hospitals, such as critical access hospitals (CAHs) and sole community hospitals (SCHs), play as true safety-net providers in the 340B program. Amid financial challenges, many rural hospitals struggle to meet the health care needs of rural, dispersed populations, with nearly 150 rural hospital closures since 2010, according to the Cecil G. Sheps Center for Health Services Research.

For many rural safety-net hospitals operating on thin financial margins, the 340B program is a vital resource that not only keeps their doors open but also helps enable them to meet their communities' needs. Our core principles reflect our commitment to protecting CAHs and SCHs by providing them with similar 340B flexibilities to those given to grantees. The core principles represent a path forward for stakeholders to find long-term solutions that stabilize and modernize the 340B program.



## Intent of the Program

The 340B program is intended to support safety-net providers serving low-income and vulnerable patients. The 340B program enables rural hospitals serving as safety-net providers to better reach communities that otherwise would not have access to affordable health care services and the medications they depend on.



## Patient Definition

Update the patient definition in the 340B statute to allow SCHs and CAHs to appropriately identify eligible 340B referrals. Many patients depend on these rural hospitals for health care services and affordable medications. Often, rural hospitals serve as the only medical care in rural and remote areas and may need to refer their patients for specialized care while maintaining overall responsibility for the patient's care.



## Contract Pharmacy

Ensure access to contract pharmacies by adding contract pharmacy to the 340B statute as well as necessary program integrity and accountability requirements. With clearer criteria on contract pharmacy arrangements and safeguards around duplicate discounts and diversion, SCHs and CAHs should generally continue to have access to contract pharmacies for eligible patients. The core principles would also allow CAHs and SCHs to claim 340B discounts on eligible prescriptions their patients fill through a specialty or mail order pharmacy.



## Protecting 340B Savings from Middlemen

Vertically integrated health care companies are abusing the lack of oversight in the 340B program. The core principles would prohibit pharmacy benefit managers (PBMs) and other for-profit middlemen from implementing discriminatory business practices that steal 340B savings from rural hospitals.



## Transparency

Develop reporting requirements to create more transparency and accountability for all 340B hospitals in the program. Public reporting by all 340B covered entities of basic information related to their involvement in the program is critical to maintain the long-term integrity of the program and facilitate appropriate oversight.



## Rural Emergency Hospitals

Currently, CAHs participating in the 340B program would no longer be eligible to participate in the program if they convert to Rural Emergency Hospital status. The core principles support a statutory change to allow Rural Emergency Hospitals to be eligible for the 340B program if they meet the same 340B standards as a CAH.

**WE INVITE RURAL HOSPITALS TO WORK WITH ASAP 340B TO REALIGN THE 340B PROGRAM IN THE INTEREST OF TRUE SAFETY-NET PROVIDERS AND THE COMMUNITIES THEY SERVE.**