

Healthcare Client Alert: 340B Drug Pricing Program

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Yesterday, a representative from HHS testified in front of the Senate Committee on Health, Education, Labor, and Pensions regarding the oversight of the 340B Drug Pricing Program. [Click here](#) to view the entire report from the testimony if you're interested, but below please find a few bullet points highlighting things they seem to be most concerned with that may help in your efforts to administrate your program going forward:

- The Senate is very concerned about the transparency of the 340B ceiling price of various drugs and that 340B Providers don't have enough meaningful access to those prices to ensure that they are paying the proper prices for 340B drugs. Expect a concerted effort soon from HRSA to make that information more easily available and accessible to you. I foresee that there will additionally be a more defined mechanism to make a complaint or report when the pricing isn't compliant with the ceiling.
- The Senate is also concerned with the fact that the ceiling price is not being shared with State Medicaid Agencies. This appears to be a priority and it will likely increase attention to the enforcement of Medicaid payment policies for 340B drugs. This will likely also result in the state more vigorously seeking their Medicaid rebates from the manufacturers and therefore heighten the risk of duplicate discounts.
- The need for a method of identifying and excluding 340B claims paid by Medicaid MCOs at the claim level as opposed to the provider level was also addressed. It appears that developing a mechanism to track these claims at the claim level is on the work list. That is an area to look out for in your oversight and beware of possible enforcement attempts once state Medicaid begins to look at those claims more closely.
- The Senate has tasked HRSA with looking into contract pharmacy arrangements, more specifically the variation in eligibility determinations. The Senate spent a lot of time asking questions about the variation from provider to provider as to who qualifies to receive 340B drugs and they want to limit that to the greatest extent possible. Expect a push to give HRSA more statutory authority to further tailor the patient definition to account for the complexities of contract pharmacy arrangements.
- Last but not least, the Senate repeated the reoccurring theme regarding 340B providers accounting for how their savings are being used. This is likely not new to you and more oversight in this area is coming.

We hope that you find this helpful and if you have any questions about anything above or regarding the 340B program in general please feel free to contact [Jason T. Daniels](#) or [Brigid M. Maloney](#).

Related Team



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