The **340B Drug Discount Program**, operated by the Health Resources and Services Administration (HRSA), is a vital program for Community Health Centers, along with other “covered entities” in the safety-net network, to ensure patients have access to affordable medications. Health centers have successfully utilized the 340B program to ensure vulnerable patients can buy their medications at affordable prices and have reinvested savings from the 340B drug program into expanded health center services and programs.

In 1992, Congress created the 340B Drug Discount Program to enable qualifying entities such as health centers to stretch scarce resources as far as possible, reach more vulnerable patients and provide more comprehensive services. The program requires drug manufacturers, as a condition of participation in Medicaid, to provide outpatient drugs to covered entities at significantly reduced prices.

Currently, 45 of Pennsylvania’s 48 Community Health Centers participate in the 340B program. A large percentage of the more than **870,000** health center patients served annually benefit from 340B participation.

Under federal rules, Community Health Centers must offer access to pharmacy services to all their patients in a manner that is available and accessible to all patients in their service area. Many health centers participating in the 340B program use a “contract pharmacy” model whereby they use one or multiple pharmacies in the neighborhoods where patients live and work to dispense 340B program drugs. This means patients receive their medications from an easily accessible pharmacy in the community while the health center retains responsibility for compliance with 340B program’s federal requirements. It is particularly beneficial to health centers serving rural communities.

Community Health Centers have reinvested the savings from the 340B program back into their communities by establishing health education programs, increasing community outreach initiatives and employing additional clinical and support staff. Each health center has been able to benefit their community uniquely and each can tell their own story of how 340B has helped a patient by giving access to life-saving medication.

The Department of Human Services (DHS) is currently coordinating with PACHC, 7 Community Health Centers and 3 hospitals on a pilot program to improve monitoring processes of the 340B program. We anticipate that once the pilot program is complete, we will have a system in place to maintain the value of the program and safeguard it for the future.