

# 2018 State Budget: 340B

## Talking Points

March 29, 2018



### COMMUNITY HEALTH CENTER BACKGROUND

- Today, more than 1,300 community health centers serve the state of California, and provide comprehensive, high quality care to 6.5 million people – or 1 in 6 Californians.
- Community Health Centers provide the full spectrum of care in a single facility, from primary care to dental to behavioral health care and a variety of enabling and wraparound services.
- Many rural communities throughout California, community health centers serve as the only source of medical and wellness care for middle- and working-class families in the region.

### WHAT IS 340B?

- 340B is a federal drug discount program created by Congress in 1992 that is designed to incentivize safety net providers to participate in the full spectrum of care, from issuing prescriptions to the dispersion of drugs.
- The program aims to support the mission of safety-net providers by providing prescription drug discounts that ensure low cost drugs to patients.
- Eligible providers, including community health centers, can participate in 340B in Medicare, Medicaid, and for the uninsured.
- Savings from 340B provide safety-net providers with additional resources they can invest into health care services.
- Health centers use program savings to expand a clinic's hours of operation, hire case workers for individuals experiencing homelessness, provide patients with transportation to specialty care appointments, and other vital unfunded programs.

### THE PROBLEM

- Through the FY 2018-2019 Budget, the Administration seeks to eliminate 340B participation for Medi-Cal Fee-For-Service (FFS) and Medi-Cal Managed Care effective July 1, 2019.
- If enacted, this proposal will have a direct and immediate impact on health centers and will ultimately harm access for low-income, vulnerable communities.
- Such a shift could be extremely detrimental to health centers that rely on 340B savings to enhance patient services, expand hours of operations, or add additional providers.

### OUR ASK

- Health centers depend on 340B savings to **[Insert how your health center uses 340B savings to support health center operations and services]**. These programs and service may be eliminated if these savings are no longer available.
- We respectfully urge you to oppose the Administration's proposed changes to 340B.