



Suburban
Hospital Alliance
of New York State, LLC

SUPPORT MEMO

Date: May 15, 2024
To: Hudson Valley and Long Island Members of the Senate
From: Wendy Darwell, President & CEO
Re: S.8992 – in Senate Finance

On behalf of the Suburban Hospital Alliance, representing hospitals and health systems on Long Island and in the Hudson Valley, I urge your support for S. 8992, the 340B Prescription Drug Anti-Discrimination Act. This legislation would preserve the benefits of the federal 340B drug program by prohibiting pharmaceutical manufacturers, pharmacy benefit managers (PBMs), wholesalers and other middlemen from interfering with providers' ability to obtain the intended discounts.

The federal 340B program allows hospitals, clinics and other providers serving a disproportionate share of low-income patients to purchase drugs from manufacturers at reduced prices. Some providers utilize community-based, contracted pharmacies to dispense the drugs, making the benefit more convenient to the patients they serve. Participating safety net providers are then able to reinvest the savings back into community programs.

Pharmaceutical companies and PBMs, among the most profitable corporations in the nation, are using increasingly aggressive tactics to restrict providers' ability to operate their 340B programs effectively. For example, pharmaceutical companies have prohibited contract pharmacies from supplying the drugs or put conditions on their supply shipments. PBMs have reduced reimbursement, essentially taking the 340B benefit for themselves. Both have added new administrative burdens, such as claims modifiers, that discourage providers from participating in the program.

S.8992 would protect safety net providers' 340B programs by prohibiting manufacturers, PBMs, wholesalers or others from creating additional administrative requirements and from restricting the utilization of contract pharmacies. Importantly, the legislation would also create an enforcement mechanism to hold these entities accountable.

The 340B Prescription Drug Anti-Discrimination Act would ensure the continued viability of a critical resource for vulnerable communities and the safety net institutions that care for them. We urge you to join the three states that have passed similar legislation protecting the integrity of 340B programs and 20 other state legislatures that are considering doing so this year. The Suburban Hospital Alliance supports this bill.