

Protect critical healthcare services. Cancel the 340B carve-out.

Without state action, more than 100 New York hospitals and many community-based providers will soon lose access to federal 340B Drug Pricing Program savings. Programs and services for vulnerable and low-income New Yorkers are at risk.

The New York state fiscal year 2020-2021 budget shifted the Medicaid retail pharmacy benefit from the managed care package to the fee-for-service program. As a result, 340B program savings will accrue only to the state, not safety net providers, once this policy takes effect. The federal 340B Drug Pricing Program enables providers serving low-income and vulnerable New Yorkers to purchase outpatient drugs from pharmaceutical manufacturers at a discounted rate.

Recognizing the detrimental impact this policy would have on safety net providers, the Legislature and previous executive administration agreed in 2021 to delay implementation to April 1, 2023. But New York's hospitals are still reeling from the prolonged impacts of the pandemic and a forever-changed cost structure. Their fiscal stability is no better today — and in fact has further deteriorated. **The significant loss of 340B program savings would come at the worst possible time.**

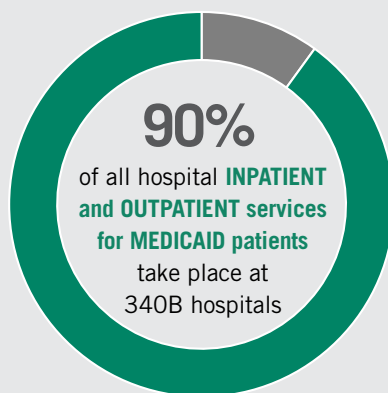
Community health at risk

New York's 340B hospitals leverage savings to operate programs and services such as:

- free or substantially discounted prescriptions to uninsured or low-income patients;
- medication therapy management programs to improve patient care and reduce overall healthcare costs and hospital readmissions;
- mobile units to bring care to rural and other medically under-served communities without local primary care options or pharmacies;
- free oncology services for low-income patients;
- multidisciplinary clinics offering substance abuse and mental health services; and
- transportation support for patients who need emergency room services.

340B hospitals are New York's safety net

The 340B program, at no cost to taxpayers, supports safety net hospitals that are already financially vulnerable and often reliant on state-supportive funding. Many do not have the means to continue 340B-enabled community programs at their current level of service.



For every dollar spent on care,
Medicaid reimburses New York state hospitals



just 61 cents

New York's safety net hospitals cannot absorb the loss of these savings, and vulnerable New Yorkers must not lose access to these vital healthcare programs.

HANYS urges Gov. Hochul and the Legislature to cancel the 340B carve-out.

