



DISTRICT HOSPITAL LEADERSHIP FORUM



## FOR IMMEDIATE RELEASE

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# STATEWIDE COALITION OPPOSES BUDGET PROPOSAL THAT WOULD ELIMINATE 340B DRUG DISCOUNT PROGRAM IN MEDI-CAL

*California's safety-net providers join together to reject the Brown Administration's proposal calling it devastating to the state's most vulnerable individuals and families*

**SACRAMENTO** – The CaliforniaHealth+ Advocates, California Hospital Association and California HIV Alliance, along with a broad range of safety-net providers and public agencies, today responded to the Brown Administration's May Revision that would eliminate a vital discount drug program. The 340B program has

been instrumental in providing low-income patients with low or no-cost medications and has made possible a wide variety of patient care services.

“The 340B program has been enormously effective in creating essential programs that reach directly into our communities to provide lifesaving assistance to our most vulnerable citizens,” said California Hospital Association President and CEO Carmela Coyle. “That includes outpatient chemotherapy centers, HIV clinics, Hepatitis C treatment and mobile health care vans.”

Although the 340B drug discount program has operated successfully for more than 25 years, the Administration has maintained its January budget proposal to eliminate the ability of providers who participate in the Medi-Cal program to receive drug discounts, thereby compromising the long-term viability of the program.

“The Administration’s proposal is inconsistent with the progress California has made to increase health care coverage and access to care for Californians. Eliminating the 340B program will roll back years of progress, innovation and programming built to support our patients. Community health centers rely heavily on the 340B program and eliminating such a crucial program will undoubtedly impact community health centers and the patients we serve,” said CaliforniaHealth+ Advocates President and CEO Carmela Castellano-Garcia.

If the Administration’s proposal is adopted, health care providers will be forced to purchase drugs at much higher prices, which will force providers to scale back many essential safety net services.

“The savings we receive through the 340B program allow APLA Health and other safety-net providers to expand critical services for vulnerable populations – including people living with and at risk for HIV,” said Phil Curtis, APLA Health Director of Government Affairs and California HIV Alliance member. “Scaling back the 340B program will impact our ability to provide discounted drug prices and wrap around services for our patients and ultimately hamper California’s efforts to end the HIV epidemic.”

No state or federal dollars are involved with this program. Instead, drug manufacturers provide discounts directly to health care providers, allowing precious health care dollars to be used for patient services. Coalition members said today they stand firmly behind the 340B program as a means of continuing to enhance and stabilize California’s health care system, especially at a time of continued uncertainty about health care support at the federal level.

Although the Administration maintained the inclusion of this provision in the May Revise, it has signaled a willingness to engage in dialogue with providers and other groups to solve operational challenges that underlie their rationale for proposing to eliminate the program altogether. The coalition of providers appreciates this willingness to problem-solve, and we look forward to a resolution that ensures the continuance of the program.

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