

# 340B Drug Program in Nebraska

Report prepared by the Nebraska Hospital Association

## What is the 340B Drug Program?

The 340B Drug Program was created by Congress in 1992 and it requires pharmaceutical manufacturers to provide outpatient drugs to eligible hospitals at significantly reduced prices. The program's primary focus is to enable hospitals to stretch their resources and reinvest the savings into expanding services for underserved communities. Savings from the 340B program help our Nebraska hospitals provide more comprehensive care for under-served patients. To participate, hospitals must meet certain eligibility criteria, including being a nonprofit or public entity and serving a disproportionate number of low-income patients. The program is paid for with drug discounts; no state or federal tax dollars are utilized.

For over 30 years, the 340B Drug Program has played an essential role in ensuring health care providers have the necessary resources to provide vital programs and services for under-served patients and communities. In Nebraska, 59 of 62 critical access hospitals (CAHs) utilize the 340B Drug Program and several other clinics across the state are also enrolled in the program. Out of state manufacturers are now restricting distribution of 340B drugs and jeopardizing access to health care services in our state to increase their profits.

**The 340B Drug Program allows hospitals, both urban and rural, to support important community health needs. Benefits include:**

- **Pharmaceutical Discounts:** Participating hospitals can purchase prescription drugs at significantly discounted prices, enabling them to redirect resources toward other critical health care services.
- **Improved Patient Access:** The program facilitates access to essential medications for vulnerable and underserved populations, including those who might not otherwise afford or access these treatments.
- **Community Health Impact:** By offering reduced-cost medications, hospitals can provide more comprehensive care to their communities and contribute to better health outcomes.

The 340B Drug Program plays a vital role in supporting hospitals' ability to provide essential medications and comprehensive care to underserved populations. While challenges exist, thoughtful policy considerations can help optimize the program's impact and ensure that it continues to fulfill its intended purpose of enhancing patient access to affordable prescription drugs.

**340B SAVINGS  
HELP HOSPITALS LOWER  
PRESCRIPTION COSTS FOR  
PATIENTS AND  
INVEST IN  
COMMUNITY  
WELLNESS**

## LB984: Protecting the 340B Drug Program in Nebraska

**Introduced by: Senator Hardin  
(Gering)**

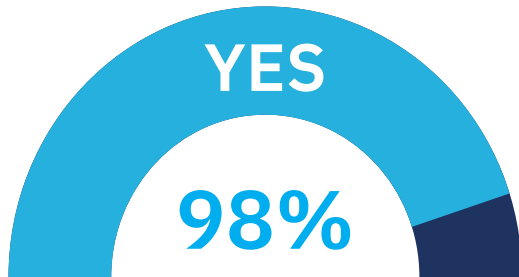
Access to the 340B program is more important than ever. Hospitals are facing significant financial challenges due to a confluence of factors from historic inflationary cost pressures and critical workforce shortages. Hospitals need access to the 340B program to ensure that they can maintain access to healthcare services for their patients in the face of these challenges.

Arkansas and Louisiana have passed legislation similar to LB984, that prohibits drug companies from restricting distribution of 340B drugs to contract pharmacies. Other states are planning to introduce legislation to protect 340B this year.

# How 340B Impacts Nebraska Hospitals

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98% of Nebraska 340B hospitals report that they would have to cut services if there are cuts to the 340B program.



“ Our ambulance service is 100% funded by 340B. The majority of our local community pharmacy operational costs are directly paid for with 340B funding. The remaining majority of revenue goes into hospital operations and recruitment. ”

## Drug Companies Restrict Access to the 340B Program

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Over half of 340B hospitals in Nebraska contract with community and specialty pharmacies to dispense drugs to these patients on behalf of the hospitals. Contract pharmacies provide an additional access point for patients to receive the drugs they need, including many specialty drugs that are often in limited distribution, without patients having to travel far distances.

Because the majority of rural hospitals do not operate their own pharmacies, relationships with community and specialty pharmacies are critical to accessing discounts on the drugs their patients use.

Despite these benefits to patients and providers, several drug companies have taken actions to limit

or deny access to 340B discount drug pricing through these contract arrangements with community and specialty pharmacies.

The drug companies' tactics are negatively impacting 340B hospitals' ability to stretch their scarce resources to provide more affordable access to care. As more drug companies impose more restrictions, these losses are exponentially increasing.

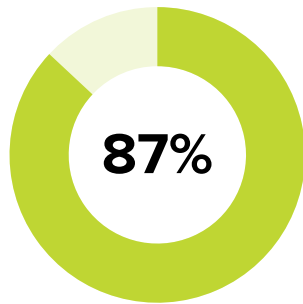
The reality is that these types of discriminatory practices and burdensome administrative hurdles result in dollars being taken from local 340B entities and the communities they serve to further pad the enormous profit margins of out-of-state drug manufacturers.

## Rural Services at Risk with Cuts to 340B

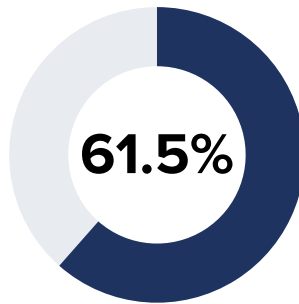
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- **FREE MONTHLY BLOOD PRESSURE CHECKS**
- **COMPREHENSIVE AMBULATORY AND INPATIENT SERVICES**
- **MEDICATIONS FOR VULNERABLE PATIENTS**
- **RETAIL PHARMACY SERVICES (VACCINE EXPANSION, PRESCRIPTION DELIVERY, MEDICAL EQUIPMENT)**
- **TOENAIL CARE**
- **HOME HEALTH**
- **COMMUNITY OUTREACH EDUCATION**
- **AMBULANCE SERVICE**
- **24/7 EMERGENCY CARE**
- **SPECIALTY SERVICES (CARDIOLOGY, BEHAVIORAL HEALTH, OBSTETRICS/GYNECOLOGY, ETC.)**
- **HOSPICE AND PALLIATIVE CARE**
- **COMMUNITY HEALTH EDUCATION AND OUTREACH**
- **COMMUNITY WELLNESS & FITNESS CENTERS**
- **MEDICATION ASSISTANCE AND DISCHARGE MEDICATIONS**
- **HEALTH FAIRS, SUPPORT GROUPS, JOB SHADOWING, AND BLOOD DRIVES.**

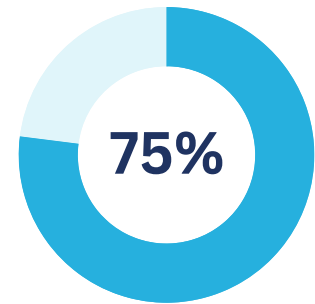
# Rural Hospital Stories



87% of Nebraska hospitals had a decrease in 340B revenue, at least in part, due to pharmaceutical manufacturers restricting 340B drugs through contract pharmacies



61.5% of Nebraska hospitals have seen a decrease in 340B revenue over the last 2 years



Of the 61.5% of hospitals with a decrease, their revenue decreased up to 75%

## Beatrice Community Hospital & Health Center

Beatrice

*This 25-bed Critical Access Hospital provides comprehensive services to Beatrice and nearby rural communities. With 1,400 inpatient admissions, 7,500 emergency visits, 1,800 surgeries, and 200 births annually, BCH relies on the 340B program for savings to sustain vital services. This program ensures vulnerable patients receive essential medications for optimal outcomes.*

*Private retail pharmacies in their community, facing immense pressure, depend on 340B for sustainability. Dispensing fees from contract pharmacy arrangements keep rural pharmacies open, offering services like vaccine expansion, prescription delivery, and medical equipment provision. Without 340B, the closure of more local pharmacies will exacerbate the healthcare gap in their community.*

## Community Hospital

McCook

*A Critical Access Hospital that serves Red Willow County and neighboring areas. 340B savings are vital for:*

- Provide 24/7 emergency care and specialty services, including cardiology, behavioral health, obstetrics/gynecology, oncology, orthopedics, urology, rehab, education programs, general surgery, sleep studies, tobacco cessation, wellness, and wound care.
- Support home health, hospice, and palliative care, requiring significant subsidization. Without this care, many residents would be left without crucial services.
- Conduct community health education, health fairs, support groups, car seat assistance, service direction, health careers education, and economic development efforts.

*The mission of Community Hospital is "leading their region to a healthier future." Without the 340B program, they will lose vital resources to guide their community toward a better tomorrow.*

## Johnson County Hospital

Tecumseh

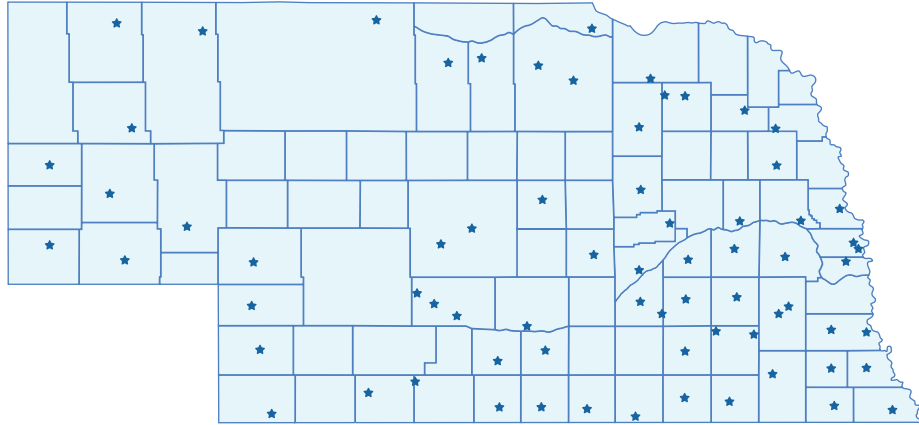
*JCH participates in 340B as a Critical Access Hospital. They serve a high Medicare population located in a rural area, 50 and 75 miles from a tertiary hospital. Travel becomes a challenge for patients, who must line up a ride to a tertiary hospital as many cannot drive themselves or will not feel well enough after a treatment or procedure to drive. Their facility brings in several specialty doctors each month to help alleviate this issue so the patient can receive treatment close to home.*

*340B participation helps to provide services in the region that may not otherwise be available and would require travel, such as:*

- Lifeline;
- Home Health;
- Community outreach education;
- Toenail care; and
- Free monthly blood pressure checks.

*Without 340B savings, they may have to scale back or eliminate these and other services.*

# Nebraska 340B Hospitals



<b>62</b>	<b>68</b>	<b>59</b>	<b>95%</b>
Number of CAHs in Nebraska	Total 340B hospitals in Nebraska	CAHs in Nebraska that participate in 340B	CAHs in Nebraska that participate in 340B

Annie Jeffrey Memorial County Health Center .....Osceola  
 Antelope Memorial Hospital.....Neligh  
 Avera Creighton Hospital..... Creighton  
 Avera St. Anthony’s Hospital..... O’Neill  
 Beatrice Community Hospital & Health Center..... Beatrice  
 Boone County Health Center..... Albion  
 Box Butte General Hospital..... Alliance  
 Boys Town National Research Hospital..... Omaha  
 Brodstone Healthcare..... Superior  
 Brown County Hospital..... Ainsworth  
 Bryan Medical Center.....Lincoln  
 Butler County Health Care Center.....David City  
 Callaway District Hospital ..... Callaway  
 Chadron Community Hospital & Health Services..... Chadron  
 Chase County Community Hospital & Clinics..... Imperial  
 Cherry County Hospital ..... Valentine  
 CHI Health Creighton (CUMC - Bergan Mercy)..... Omaha  
 CHI Health Good Samaritan .....Kearney  
 CHI Health Immanuel..... Omaha  
 CHI Health Plainview..... Plainview  
 CHI Health Schuyler .....Schuyler  
 CHI Health St. Elizabeth .....Lincoln  
 CHI Health St. Mary’s..... Nebraska City  
 Children’s Nebraska ..... Omaha  
 Community Hospital..... McCook  
 Community Medical Center..... Falls City  
 Cozad Community Hospital..... Cozad  
 Crete Area Medical Center.....Crete  
 Dundy County Hospital.....Benkelman  
 Fillmore County Hospital..... Geneva  
 Franciscan Healthcare ..... West Point  
 Genoa Community Hospital .....Genoa  
 Gordon Memorial Hospital..... Gordon  
 Gothenburg Health..... Gothenburg

Harlan County Health System.....Alma  
 Henderson Health Care Services ..... Henderson  
 Howard County Medical Center..... St. Paul  
 Jefferson Community Health & Life.....Fairbury  
 Johnson County Hospital..... Tecumseh  
 Kearney County Health Services ..... Minden  
 Kimball Health Services Clinic ..... Kimball  
 Lexington Regional Health Center.....Lexington  
 Memorial Community Health..... Aurora  
 Memorial Community Hospital & Health System.....Blair  
 Memorial Health Care Systems.....Seward  
 Merrick Medical Center ..... Central City  
 Morrill County Community Hospital .....Bridgeport  
 Nebraska Medicine ..... Omaha  
 Nemaha County Hospital..... Auburn  
 Ogallala Community Hospital .....Ogallala  
 Osmond General Hospital ..... Osmond  
 Pawnee County Memorial Hospital .....Pawnee City  
 Pender Community Hospital .....Pender  
 Perkins County Health Services.....Grant  
 Phelps Memorial Health Center ..... Holdrege  
 Providence Medical Center (Nebraska) ..... Wayne  
 Regional West Garden County Hospital..... Oshkosh  
 Regional West Medical Center ..... Scottsbluff  
 Rock County Hospital..... Bassett  
 Saunders Medical Center ..... Wahoo  
 Sidney Regional Medical Center..... Sidney  
 Syracuse Area Health .....Syracuse  
 Thayer County Health Services.....Hebron  
 Tri Valley Health System..... Cambridge  
 Valley County Health System Hospital..... Ord  
 Webster County Community Hospital..... Red Cloud  
 West Holt Medical Clinic.....Atkinson  
 York General Hospital..... York