

Medi-Cal 340B Drug Pricing Program

PRESERVE LIFE-SAVING MEDICATIONS FOR VULNERABLE PATIENTS

Gov. Brown's proposed 2018-19 budget calls for the restriction of the long-standing federal 340B Drug Pricing Program within Medi-Cal. The program allows our safety net hospitals to pay discounted prices for many outpatient drugs. Providence St. Joseph Health relies on the program to provide lifesaving medications to vulnerable patients – including those who are elderly, children and people with chronic health conditions – who cannot afford to pay for their prescriptions. Savings from the 340B program are reinvested in our local communities throughout Northern California to ensure vital patient care services remain available to everyone in need.

In Northern California, the governor's budget proposal will eliminate 340B savings for five of our 340B-eligible hospitals, jeopardizing our ability to provide free or discounted medications and improve access to care for thousands of vulnerable patients.

Our 340B hospitals are lifelines in many communities

The benefits of the 340B program are woven into an extensive safety net. Many of our hospitals serve vulnerable patients on Medi-Cal, as well as those who are uninsured. The program discounts allow our hospitals to use savings to tailor investments to local needs and ultimately improve care across the communities we serve. The 340B program also allows our hospitals to fill important clinical positions including pharmacists who help educate patients and their families on complex medications and provide care coordination after discharge.

Patient care services, clinical positions at risk

If hospitals' ability to participate in the 340B program is eliminated, our safety net hospitals across Northern California may have to reduce free or discounted medications for uninsured patients with complex and life-threatening medical conditions, reduce or eliminate vital patient care services, and eliminate clinical positions. As a mission-driven organization, we are deeply concerned about jeopardizing access to care.

At risk in Humboldt, Napa and Sonoma counties

- **Increased costs for purchasing drugs for Medi-Cal patients:** The price of outpatient medications would increase up to twice or more of the 340B-discounted price.
- **Loss of 24-hour acute care, home health and oncology pharmacy services,** as well as other vital services including trauma, stroke and cardiac programs.
- **Reduced infusion services** for low-income and rural patients with chronic and rare diseases.
- **Prevents expansion of ambulatory infusion** services in remote areas.
- **Eliminates clinical positions** in a variety of specialties that help treat complex medical conditions.
- **Prevents care integration** of clinical pharmacists into emergency departments and oncology services.
- **Less care for homeless:** Jeopardizes medical respite programs and intensive case management to homeless individuals.
- **Fewer medical residents:** Eliminates medical and pharmacy residency programs due the lack of preceptors and clinical infrastructure.

About us

Serving California with excellence and compassion



Providence St. Joseph Health is a Catholic, not-for-profit health system that includes a diverse family of organizations dedicated to providing for the needs of communities across our state, with a special focus on those who are poor and vulnerable.

In California, we are: Providence Health & Services, including Facey Medical Foundation; and St. Joseph Health, including St. Joseph Heritage Healthcare and St. Joseph Hoag Health Alliance. Working in 18 award-winning hospitals, 238 medical clinics and an array of other care and services, our 36,942 caregivers (all employees) serve with distinction across California.

For information about our advocacy position, please contact Michael Tou, director of government relations, at (310) 793-8093 or michael.tou@providence.org.