

Preserving Nevada's Health Safety Net

AB434

Revises provisions governing prescription drugs

For 30 years, the 340B Program has provided vital resources to safety net providers such as Federally Qualified Health Centers (FQHCs), Ryan White HIV clinics, and Critical Access Hospitals to deliver affordable and accessible health care services to the most underserved and vulnerable communities.

The 340B program provides steep discounts on prescription drugs, which are used in two key ways:

- Discounts on medications are passed on to low-income, uninsured patients
- Revenue for safety net providers when they bill insurance for these drugs and are reimbursed at the non-discounted rate.
- Revenue is reinvested in the community in the following ways:
 - * Subsidizing care to uninsured patients, including prescription drugs
 - * Providing additional care coordination
 - * Patient and/or medication transportation
 - * Expanding access by growing clinic locations
 - * Promoting health equity

At risk!
\$31,000,000 per year to provide care to uninsured and underinsured Nevadans

340B benefits are at risk in Nevada as insurers and pharmacy benefit managers seek to reimburse at lower rates for 340B drugs. As these discriminatory contracts increase, safety net providers are losing access to a critical revenue stream that supports their operations and patient care.

AB434 would put an end to discriminatory contracting by

- setting a floor for 340B reimbursement at the National Drug Wholesale Acquisition Cost, an estimated average of the drug list price.
- allowing the safety net covered entities to receive all of the savings from purchasing discounted 340B drugs as intended by the program's creation three decades ago. No additional fees, clawbacks or adjustments can be charged that reduce the savings or revenue for the safety net providers
- ensuring that the right to dispense or deliver 340B prescriptions is protected, including in contract pharmacies
- allowing patients to choose where they want to purchase their prescriptions by prohibiting insurers or pharmacy benefit managers (PBMs) from steering patients away from a 340B pharmacy
- establishing in statute that Ryan White providers and not the Department of Health and Human Services are entitled to claim the discount on drugs provided to beneficiaries of the Nevada Medical Assistance Program.

22 states have already codified 340B protection into their state law. With the Medicaid unwinding beginning May 2023, it is estimated that 200,000 Nevadans will no longer be eligible for Medicaid, increasing the number of uninsured, putting additional pressure on Nevada safety net providers and making the 340B program even more important in supporting the health care system

