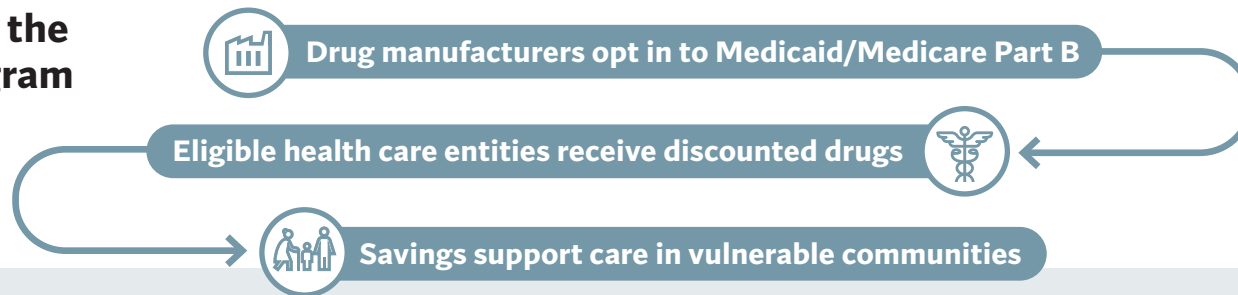


# Drug Discount Program Makes Healthy California Possible

In California, 172 hospitals rely on the 340B Drug Pricing Program, established by Congress more than 30 years ago, to provide hospitals financial relief from high prescription drug costs. These savings allow hospitals to provide essential medications and improve access to health care for California's most vulnerable populations.

## How does the 340B program work?



### Communities benefit through:

- High-cost medications provided at low or no cost
- Financial assistance programs for low-income patients
- Urban and rural primary care clinics
- Mobile health care clinics
- Vaccinations and flu shots
- Mental health services
- Medication management programs
- Community health programs

## Setting the Record Straight

- There is no cost to taxpayers
- Program participants are subject to rigorous oversight
- Comprehensive audits ensure duplicate discounts do not occur

## The 340B program is a critical lifeline for Californians' well-being.

### WHO PARTICIPATES IN 340B?

Nonprofit and public (state/local government-operated) hospitals that meet specific high-volume, low-income patient thresholds are eligible, including cancer hospitals, children's hospitals, critical access hospitals, disproportionate share hospitals, rural referral centers, and sole community hospitals. Other non-hospital organizations — such as community health centers and specialty clinics — are eligible for participation if they receive certain federal grants.

### PROGRAM OVERSIGHT & COMPLIANCE

Covered entities must meet program integrity requirements and are subject to oversight by the federal Health Resources and Services Administration (HRSA). Participants must maintain up-to-date records within the 340B Office of Pharmacy Affairs Information System and recertify their eligibility annually. They must also ensure that 340B drugs are only provided to eligible patients and that drug manufacturers are not subjected to duplicate discounts for the same drug from both the 340B program and the Medicaid Drug Rebate program. Additionally, entities must participate in audits conducted by HRSA and manufacturers. Any non-compliance could lead to fines, corrective action plans, and/or termination from the program.