

# Community Oncology Alliance Files Second Amicus Brief Warning of PBM Contract Pharmacy Takeover of 340B Program

*Court is Warned That For-Profit PBM Contract Pharmacies Have Taken Over 340B Program, Diverting Funds From Patients in Need*

WASHINGTON, DC, UNITED STATES, July 27, 2022 /EINPresswire.com/ -- Continuing efforts to raise awareness and fight the takeover of the 340B Drug Pricing Program by for-profit pharmacy benefit manager (PBM) contract pharmacies, the Community Oncology Alliance (COA) filed an amicus curiae brief with the United States Court of Appeals for the Third Circuit. The out-of-control growth of 340B contract pharmacy arrangements by mail order and specialty pharmacies owned or affiliated with for-profit PBMs is diverting billions of dollars in discounts meant to help patients in need while fueling the continued takeover of the nation's health care system by PBMs.

**“**The outcome of these court cases are critically important to all patients suffering from high drug costs and reduced pharmacy access from the PBM takeover of the 340B program.”

*Ted Okon, COA*

This is the [second amicus brief](#) from COA in the ongoing series of court cases and disputes over the expansive use of for-profit PBM contract pharmacies in the 340B program. The exponential growth of 340B contract pharmacy arrangements since 2010 have fundamentally mutated the program and blunted its potential to help patients in need. Estimates are that in 2022 alone, PBM-owned or affiliated contract pharmacies will retain upwards of \$2.58 billion in 340B discounts as profits. These are dollars being removed from the 340B program and not helping patients in need with their care, directly or indirectly.

• [Read COA's Amicus Curiae brief on 340B PBM Contract Pharmacies.](#)

“This is not just a battle between PBMs and drug manufacturers. The outcome of these court cases are critically important to all patients suffering from high drug costs and reduced pharmacy access from the PBM takeover of the 340B program,” said Ted Okon, executive director of COA. “While we hope that Washington will open its eyes to the broken 340B program, we must still act to stop PBM abuses on all fronts. The lack of enforcement and oversight has

brought us to this point, and COA hopes that the court will see the broken 340B PBM contract pharmacy system as the grotesque abuse of a charity program that it is.”

COA believes that 340B is a critically important program for Federal grantees, community and disease-specific health clinics, and the true safety-net hospitals that rely on the drug discounts it provides to treat America’s most vulnerable patients. However, abuse of the 340B program by some large hospital corporations and for-profit PBMs has hurt, not helped patients, particularly patients with cancer treated in community oncology practices. [Study after study](#) has shown that abuse of the 340B program means the poor, uninsured, and underinsured patients it was meant to serve are not benefiting, and patients with cancer and other serious diseases are left with more expensive care. If not addressed through limits on contract pharmacy arrangements, as under review in this case and other critical reforms, the 340B program will continue to harm patients.



Additionally, the court cases come as the federal Centers for Medicare & Medicaid Services (CMS) has proposed to stop 340B payment reforms that were finally starting to address part of this runaway program. The agency is brazenly ignoring the data which shows it should be cutting 340B Medicare payment rates to reduce incentives to abuse the program, not raising them as proposed. It is another example of the broken 340B regulatory system in Washington, and a further reason why the ongoing disputes over 340B contract pharmacies are important to the reform of this broken program.

The case is AstraZeneca Pharmaceuticals LP, v. Secretary, U.S. Department of Health and Human Services, et al., case number 22-1676 in the United States District Court for the District of Delaware.

Read COA’s amicus curiae brief on 340B PBM Contract Pharmacies at <https://communityoncology.org/wp-content/uploads/2022/07/COA-340B-Contract-Pharmacy-Amicus-Brief-22-1676-AZ.pdf>.

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About the Community Oncology Alliance: COA is a non-profit organization dedicated to advocating for community oncology practices and, most importantly, the patients they serve. COA is the only organization dedicated solely to community oncology where the majority of Americans with cancer are treated. The mission of COA is to ensure that patients with cancer receive quality, affordable, and accessible cancer care in their own communities. More than 5,000 people in the United States are diagnosed with cancer every day and deaths from the disease have been steadily declining due to earlier detection, diagnosis, and treatment. Learn more at [www.CommunityOncology.org](http://www.CommunityOncology.org). Follow COA on Twitter at [www.twitter.com/oncologyCOA](https://twitter.com/oncologyCOA) or on Facebook at [www.facebook.com/CommunityOncologyAlliance](https://www.facebook.com/CommunityOncologyAlliance)

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