

COA Files Fifth Amicus Brief Urging Reform of 340B Program Contract Pharmacy System

Filing in 10th Circuit Highlights Need for Oversight of Runaway PBM and Contract Pharmacy Profiteering

WASHINGTON, DC, UNITED STATES, April 2, 2026 /EINPresswire.com/ -- The [Community Oncology Alliance \(COA\)](#) has filed its fifth amicus curiae brief in 340B contract pharmacy litigation, this time with the U.S. Court of Appeals for the Tenth Circuit regarding case no. 25-1914, AbbVie Inc. v. Drummond, providing factual evidence that the 340B Drug Pricing Program is being exploited by pharmacy benefit managers (PBMs) to extract profit at the expense of patients in need.

- [Read COA's full 10th Circuit Amicus Brief.](#)



In the brief, COA highlights that the absence of transparency and accountability within the 340B program has enabled for-profit PBMs to infiltrate the program and divert funds intended to support patients in need. Smaller 340B entities will use a PBM's contract pharmacy to dispense drugs when the entity cannot run its own pharmacy. One of the contract pharmacies employed by Oklahoma providers is located in Honolulu, Hawaii – thousands of miles away – demonstrating how PBMs steer prescriptions to affiliated pharmacies not for patient convenience, but to maximize profit.

PBMs use these contract pharmacy arrangements to divert 340B savings from covered entities and the patients they are intended to serve. Critically, PBMs are for-profit entities that have no incentive to negotiate lower prices for patients, as their profits are often tied to the price of the drug.

The case challenges an Oklahoma law that prohibits the use of a rebate model proposed by numerous pharmaceutical manufacturers. COA's brief supports this model, arguing that it would introduce long-overdue transparency by enabling transaction-level tracking and ensuring that 340B savings reach patients in need, not middlemen.

The 340B program was originally intended for a small number of participating safety-net providers. However, its rapid and largely unregulated expansion has far outpaced the ability to accurately track how discounts are used. COA argues that a rebate model would allow better accountability through improved tracking and reporting.

"If PBMs cannot account for every 340B dollar they handle, then it is time for a system that does," said Ted Okon, MBA, COA's executive director. "340B dollars are meant for patients in need. We must ensure that every dollar in the 340B program is being used for the good of the patient, not corporate profits."

COA's amicus filings are part of broader efforts to expose the role of middlemen in driving up health care costs and to restore the original intent of the 340B program. These issues are also covered extensively in COA's [Prescription for Health Care Reform](#), a comprehensive policy framework outlining solutions to some of our health care systems' greatest challenges.

Read the full 10th Circuit amicus brief on 340B Program PBM Contract Pharmacies at <https://mycoa.communityoncology.org/publications/amicus-briefs/coa-amicus-brief-for-abbvie-oklahoma-340b-case>.

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About the Community Oncology Alliance (COA)

The Community Oncology Alliance (COA) is a nonprofit 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. Learn more about COA at www.communityoncology.org.

For more information about the case, contact the law firm of Frier Levitt at (973) 798-1853 or visit frierlevitt.com.

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