The 2020-21 New York State budget eliminates 340B drug discounts hospitals access for services provided to Medicaid enrollees.

Program Basics and Key Dates

The federal 340B Drug Pricing Program enables more than 100 New York safety net hospitals serving low-income and vulnerable New Yorkers to purchase outpatient drugs from pharmaceutical manufacturers at a discounted rate (~ 20% to 50% discount).

These hospitals rely on the savings from the 340B drug discount program to provide greater access to pharmaceuticals and comprehensive services in their communities, which they otherwise would not be able to do because of chronic underpayments from public payers like Medicaid.

340B Benefits for Patients

New York's 340B-eligible hospitals leverage savings accessed under 340B to operate programs and services that they might otherwise not be able to operate, such as the following services reported by HANYS' members:

• free or substantially discounted prescriptions to uninsured or low-income patients;

• medication therapy management programs to improve patient care and reduce overall healthcare costs and hospital readmissions;

• mobile units to bring care to rural and other medically under-served communities without local primary care options or pharmacies;

• free oncology services for low-income patients;

• multidisciplinary clinics offering substance abuse and mental health services; and

• transportation support for patients who need to use emergency room services.

These are just a few examples of the many ways NYS hospitals reinvest savings generated from the 340B program to improve access to care in vulnerable communities. Many of these investments come from hospitals that are financially vulnerable.

State Fiscal Year 2020-2021 Budget Actions

October 1, 2020
Department of Health stakeholder workgroup to make recommendations on how to achieve Medicaid program savings for discounted drugs acquired by providers under the 340B program.

No sooner than April 1, 2021
DOH to move the Medicaid pharmacy benefit from the managed care benefit package to the fee-for-service program (expected to reduce Medicaid spending by $87.2 million). This change will have implications on the cost savings hospitals and other providers leverage from the 340B Drug Discount Program to reinvest in their communities.

April 1, 2023
Requires reimbursement of 340B drugs based on a method that considers the actual acquisition costs and professional dispensing fees.

HANYS®
Always There for Healthcare

Hospitals that participate in the 340B program

Northeastern New York

Adirondack Medical Center

Albany Medical Center Hospital

Bassett Medical Center

Cobleskill Regional Hospital

Columbia Memorial Hospital

Ellis Medicine

Margaretville Hospital

Nathan Littauer Hospital

O'Connor Hospital

St. Mary's Healthcare (Amsterdam)

Samaritan Hospital

UHS Delaware Valley Hospital

UVHN – Alice Hyde Medical Center

UVHN – Champlain Valley Physicians Hospital

UVHN – Elizabethtown Community Hospital

Rochester area

Arnot Ogden Medical Center

Clifton Springs Hospital and Clinic

Highland Hospital

Nicholas H. Noyes Memorial Hospital

Rochester General Hospital

Schuyler Hospital, Inc.

Soldiers and Sailors Memorial Hospital
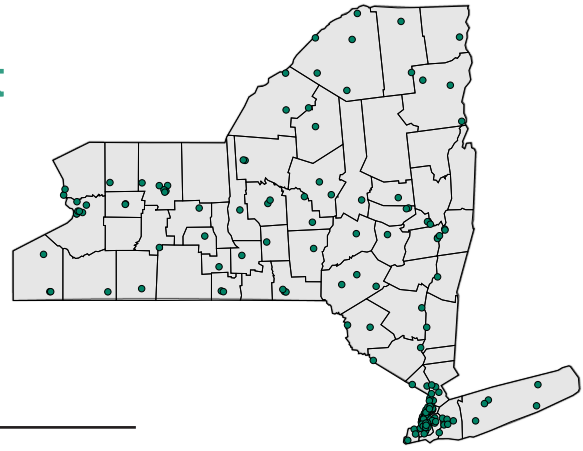
Strong Memorial Hospital

Unity Hospital

Western New York

Brooks-TLC Hospital System

Erie County Medical Center

Jones Memorial Hospital

Kaleida Health

Mount St. Mary's Hospital and Health Center

Niagara Falls Memorial Medical Center

Olean General Hospital

Orleans Community Health

Sisters of Charity Hospital

United Memorial Medical Center

UPMC Chautauqua

Long Island

Mercy Medical Center

Nassau University Medical Center

St. Charles Hospital

Southside Hospital

Stony Brook University Hospital

New York City

BronxCare Hospital Center

Brookdale University Hospital Medical Center

Flushing Hospital Medical Center

Interfaith Medical Center

Jamaica Hospital Medical Center

Kingsbrook Jewish Medical Center

Lenox Hill Hospital

Long Island Jewish Medical Center

Maimonides Medical Center

Montefiore Medical Center

Mount Sinai Beth Israel – All Divisions

Mount Sinai Hospital

Mount Sinai Morningside

New York Community Hospital

New York Eye and Ear Infirmary of Mount Sinai

NewYork-Presbyterian Brooklyn Methodist Hospital

NewYork-Presbyterian Hospital

NewYork-Presbyterian Queens

NYC Health + Hospitals / Bellevue

NYC Health + Hospitals / Coney Island

NYC Health + Hospitals / Elmhurst

NYC Health + Hospitals / Harlem

NYC Health + Hospitals / Jacobi

NYC Health + Hospitals / Kings County

NYC Health + Hospitals / Lincoln

NYC Health + Hospitals / Metropolitan

NYC Health + Hospitals / North Central Bronx

NYC Health + Hospitals / Queens

NYC Health + Hospitals / Woodhull

NYU Langone Hospitals

Richmond University Medical Center

SBH Health System

St. John's Episcopal Hospital (Far Rockaway)

Staten Island University Hospital – All Divisions

The Brooklyn Hospital Center

University Hospital of Brooklyn

Wyckoff Heights Medical Center

Central New York

Auburn Community Hospital

Canton-Potsdam Hospital

Carthage Area Hospital

Cayuga Medical Center at Ithaca

Claxton-Hepburn Medical Center

Clifton-Fine Hospital

Community Memorial Hospital

Faxton St. Luke's Healthcare

Gouverneur Hospital

Guthrie Cortland Medical Center

Lewis County General Hospital

Little Falls Hospital

Massena Hospital

Oneida Healthcare

Oswego Health

Our Lady of Lourdes Memorial Hospital

River Hospital

Rome Memorial Hospital

Samaritan Medical Center

UHS Chenango Memorial Hospital

United Health Services Hospitals, Inc.

Upstate University Hospital

Northern Metropolitan Area

Bon Secours Community Hospital

Catskill Regional Medical Center

Catskill Regional Medical Center/ Grover M. Hermann Division

Good Samaritan Hospital

HealthAlliance Hospital – Mary's Avenue Campus

Montefiore Nyack Hospital

Montefiore St. Luke's Cornwall Hospital

Phelps Hospital

St. John's Riverside Hospital

Westchester Medical Center