



Attorney General Doug Peterson

News Release

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ATTORNEY GENERAL PETERSON JOINS BIPARTISAN LETTER ON 340B DRUG PRICING PROGRAM

*Attorneys General stress importance of program's mandated drug discounts
to healthcare providers serving low-income and rural Americans*

LINCOLN – Attorney General Doug Peterson today helped lead a bipartisan coalition of 28 additional attorneys general urging the U.S. Department of Health and Human Services (HHS) to hold accountable drug manufacturers that are unlawfully refusing to provide discounts to federally qualified health centers, hospitals, and other providers that serve vulnerable patient populations through the 340B Drug Pricing Program.

The 340B Drug Pricing Program provides discounts to covered healthcare entities that serve uninsured and low-income patients, including those in rural communities, and helps these providers keep costs low even as prescription drug prices rise. In today's letter addressed to Health and Human Services Secretary Alex Azar, the attorneys general argue that by withholding or threatening to withhold these critical discounts, drug manufacturers Eli Lilly & Company, AstraZeneca PLC, Sanofi SA, Novartis Pharmaceuticals, Merck & Co., United Therapeutics Corp., and others, put low-income patients at risk of losing access to affordable medications while communities continue to battle the COVID-19 pandemic. The 340B Drug Pricing Program has strong bipartisan support, and Congress has acted numerous times to ensure drug manufacturers continue to comply with the program's mandates.

As a condition of having their drugs covered by Medicaid and Medicare Part B, Congress required drug manufacturers to enter into Pharmaceutical Pricing Agreements (PPA) with the HHS Secretary to limit the amount public hospitals, community health centers, and others serving indigent patients have to pay drug manufacturers for medications. These PPAs require the companies to offer each covered medication to providers "at or below the applicable ceiling price." Instead of complying with their obligations, certain drug manufacturers have unlawfully refused to provide discounts, potentially depriving

Americans who rely on them with essential healthcare resources that they need as the country deals with a public health crisis. Under the 340B Drug Pricing Program, HHS has the authority to address violations of the program by drug manufacturers. For example, HHS may require manufacturers to reimburse covered healthcare centers and/or terminate manufacturers' PPAs. While HHS has recently published regulations establishing an administrative dispute resolution (ADR) process under which covered entities can file complaints and seek relief, the ADR process is not sufficient to address immediate harm caused by drug companies.

Joining Attorney General Peterson on today's letter are the attorneys general of California, Connecticut, Kansas, Nebraska, Colorado, Delaware, Hawaii, Illinois, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, Virginia, Washington, Wisconsin, and the District of Columbia.

A copy of the letter to HHS is available [here](#).

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