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Judge grants CHCA request for voice in prescription drug lawsuit

*Community Health Centers seek to protect discounts,
vital programs for low-income and rural Arkansans*

CONTACT:

Seth Blomeley, Communications and Policy Director, CHCA

501.374.8225, sblomeley@chc-ar.org

U.S. District Judge Billy Roy Wilson today approved a request by the Community Health Centers of Arkansas to participate in a federal lawsuit filed by the pharmaceutical industry against the state of Arkansas.

CHCA seeks to protect discounts for prescription drugs for disadvantaged patients across the state. These discounts are threatened by the pharmaceutical industry.

"Because Intervenors have demonstrated recognizable economic interests in the present lawsuit, their alleged interests ... are sufficiently direct, substantial, and legally protectable to allow them to intervene in the case," Wilson wrote in his order granting CHCA's motion to intervene.

Starting in the summer of 2020, pharmaceutical manufacturers placed multiple conditions on a drug discount program called 340B. These restrictions make it harder for the uninsured or underinsured to obtain much-needed medicine to ensure their quality of life.

Additionally, the restrictions cut at least \$1 million a year from the budgets of Community Health Centers across the state, money used to operate medical programs that benefit at-risk and rural Arkansans.

Responding to the manufacturers' actions, the Legislature overwhelmingly passed, and Gov. Asa Hutchinson signed, Act 1103 of 2021. CHCA, the Arkansas Pharmacists Association, and the Arkansas Hospital Association each supported the legislation.

Act 1103 requires manufacturers to honor 340B discounts on prescriptions dispensed at community-based pharmacies. Most CHCs don't have in-house pharmacies. They rely heavily upon contract pharmacies to serve the health care needs of their patients.

In September 2021, in U.S. District Court in Little Rock, the Pharmaceutical Research and Manufacturers of America (PhRMA) filed suit against the Arkansas Insurance Department and Attorney General Leslie Rutledge in her official capacity. PhRMA seeks to strike the section in Act 1103 that protects 340B discounts at contract pharmacies.

Joining CHCA in the motion to intervene was Piggott Community Hospital, a critical access hospital dependent on contract pharmacies to serve their patients. The motion was filed in March.

Intervention in the case will allow parties directly affected by the 340B restrictions, such as CHCs, to more fully present their points to the court.

Notably, 340B discounts are not funded by the government or taxpayers. Congress set up 340B as a condition for the pharmaceutical industry to participate in the Medicaid and Medicare program. In exchange for participation in that lucrative market, they provide discounts through 340B.

About: CHCs are non-profit organizations fueled by patient revenue and federal grants meant to expand health care access for low-income, minority, and rural populations. CHCs provide many services including primary care, dental, behavioral health, and health education. CHCA provides advocacy, training, and support for CHCs in Arkansas.

Altogether, **12 CHCs** in Arkansas (including 11 member CHCA organizations) serve more than **240,000 people** a year at more than **160 sites**. Nationally, nearly **1,400** CHCs serve **30 million patients** a year.

For more information on Community Health Centers in Arkansas, please visit:

<http://www.chc-ar.org/>

Community Health Centers of Arkansas, Inc.

1701 S. Harrison St, Little Rock, AR 72203 501-374-8225 www.chc-ar.org

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