

## California HIV/AIDS Policy Research Centers Release New Report on Impact of the Governor's 340B Proposal on HIV Programs

*Loss of 340B savings in Medi-Cal would significantly disrupt the ability of covered entities to reduce new HIV infections and improve HIV-related health outcomes*

(San Francisco; May 16, 2018)—The California HIV/AIDS Policy Research Centers (CHPRC) today released a new report on changes to HIV-related services and programs that may occur if a proposal by California's Governor Jerry Brown to eliminate use of the federal 340B Drug Discount Program from all Medi-Cal transactions is enacted. The report, which was produced by CHPRC investigators from the University of California, San Francisco (UCSF), indicates that the loss of 340B savings in Medi-Cal would undermine a wide range of services that are currently being provided to improve health outcomes for people living with and at risk for HIV.

"These findings strongly support continued access to 340B savings in Medi-Cal for safety net HIV providers. 340B is a significant source of support for comprehensive HIV care and a vital tool for improving viral load suppression and reducing new HIV infections," said Valerie Kirby, a policy analyst at UCSF and lead author of the report. "The loss of these savings would significantly disrupt the ability of the covered entities to provide crucial services for people living with and at risk for HIV."

The 340B program is a congressionally-mandated drug pricing program that allows safety net providers—called covered entities—to purchase prescription drugs at discounted prices. Covered entities include the types of safety net providers that most frequently provide HIV-related care, including community health centers and Ryan White HIV/AIDS Program grantees. Savings from the 340B program allow covered entities to expand health care services and provide patients access to lower-cost prescription drugs.

The report includes results from interviews with covered entities across California that provide services for people living with and at risk for HIV. The report's key findings include:

- All covered entities reported using the 340B program to provide free or low-cost medications to uninsured individuals, including people living with and at risk for HIV.
- Informants indicated that 340B savings support a robust array of expanded and enriched services that are considered key elements of the sort of comprehensive HIV care needed to support viral load suppression.
- Covered entities reported that the loss of Medi-Cal-related 340B savings would be sizeable enough to partially or significantly undermine their current services.
- Informants expressed a desire to work with policymakers to enact changes that would relieve administrative burden and improve the program for all stakeholders.

"The covered entities we interviewed reported that the 340 program supported their efforts to help California respond to the HIV epidemic," Valerie Kirby said. "Our results suggest that scaling back the 340B program in Medi-Cal would likely result in fewer services to help people living with HIV stay in care and prevent transmission of the virus."

The full report is available [here](#).