



## Safety Net Hospitals for Pharmaceutical Access

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### **SNHPA Protests Amgen's Plan to Discriminate Against Safety Net Hospitals**

May 30, 2013—Safety Net Hospitals for Pharmaceutical Access (SNHPA) has asked Amgen, the world's largest biotechnology company, to withdraw a new policy that would raise pharmaceutical costs significantly for more than 1,000 hospitals and clinics nationwide that serve large numbers of poor, uninsured, and underinsured patients. The policy, which is due to take effect in days, would require all purchases of the company's drug Neulasta made through the federal 340B drug discount program to be handled exclusively through specialty distribution channels. The restriction applies to 340B purchases only. If the company declines, SNHPA will ask the federal government to investigate this issue.

Amgen's new restriction will force 340B hospitals to pay more for Neulasta because wholesalers normally sell the drug at a lower price than specialty distributors. One member hospital has told SNHPA that the restriction would cost it approximately \$200,000 annually. Also, shipments will take longer under the new distribution model.

Amgen reported revenues for the full year 2012 of \$17.3 billion, about 11 percent above the previous year. It reported \$3.2 billion in U.S. sales of Neulasta. Spending on specialty medications is rising at a dramatic rate. Last year, it was up nearly 20 percent.

"We urge Amgen to withdraw this distribution plan for Neulasta," SNHPA said [in its May 29 letter](#) to Amgen Chairman and CEO Robert Bradway. "The plan violates federal policy prohibiting restrictions that create significant administrative and financial challenges for 340B providers. If Amgen moves forward with this plan, SNHPA will ask [the Health Resources and Services Administration] to look into the matter."

Neulasta is a man-made human protein used to reduce the risk of infection in patients undergoing heavy chemotherapy. A hospital informed SNHPA that it received a notice from its pharmaceutical wholesaler that, beginning June 1, Amgen would require it to purchase all 340B-priced Neulasta through the wholesaler's specialty drug division. The notice made it clear that the new restriction does not apply to non-340B purchases of Neulasta. Another hospital reported to SNHPA that it received a similar notice about 340B-purchased Neulasta from a different wholesaler stating that the new specialty distribution model would begin on June 6.

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*Safety Net Hospitals for Pharmaceutical Access (SNHPA) is an association of nearly 1,000 hospitals with a mission to increase the affordability and accessibility of pharmaceutical care for the nation's poor and underserved populations. For more information about SNHPA and the 340B program, visit [www.snhpa.org](http://www.snhpa.org).*