Community Oncology Alliance Files Fourth Amicus Brief Opposing Abusive 340B Contract Pharmacy Practices

COA warns First Circuit for-profit PBM-affiliated contract pharmacies have hijacked the 340B program

Community Oncology Alliance Logo

WASHINGTON, DC, UNITED STATES, November 24, 2025 /EINPresswire.com/ -- Today, the Community Oncology Alliance (COA) filed an amicus curiae brief in the U.S. Court of Appeals for the First Circuit in AbbVie Inc. et al. v. Frey, urging the court to allow essential steps to curb rampant abuse in the 340B Drug Pricing Program.

The amicus brief highlights how for-profit pharmacy benefit managers (PBMs) and their vertically integrated contract pharmacies have taken over and transformed 340B into a profit engine for large corporations – at the direct expense of vulnerable patients, taxpayers, and independent community oncology practices.

- Click here to read COA's full amicus brief.

This marks COA's fourth amicus filing in major litigation involving 340B contract pharmacies, following its brief in the West Virginia case earlier this year and two previous federal challenges addressing the same PBM-driven exploitation of the program.

In the Maine appeal, COA explains that the state's newly enacted Section 103 of its Insurance Code blocks essential oversight by preventing drug manufacturers from requiring any claims data before providing 340B-discounted drugs. The law also prohibits sensible limits on contract pharmacy proliferation – shutting down efforts to fix what COA has repeatedly called a fundamentally broken and opaque system.

“Once again, COA is sounding the alarm that PBMs and their affiliated contract pharmacies have twisted the 340B program far beyond its congressional intent,” said Ted Okon, executive director of COA. “What began as a safety-net program to support uninsured and low-income patients has mutated into a massive, unregulated profit center for some of the biggest corporations in health care.”

The COA amicus brief details how:

- PBM-affiliated pharmacies now dominate the 340B contract pharmacy landscape, controlling more than three-quarters of all relationships nationally.
- These vertically integrated corporations retain billions in 340B discounts each year, with little evidence that savings support vulnerable patients.
- The explosion of contract pharmacies – enabled by PBMs steering patients to their own affiliated mail-order and specialty pharmacies – has crowded out independent pharmacies and community oncology practices, harmed patient access, and driven up costs.
- Lack of transparency allows PBMs to exploit blind spots in claims data and capture profits that Congress intended for charity care.

“In Maine, like across the country, 340B dollars are not reaching the underserved communities they were created to help,” the brief states. “Instead, lax oversight and unrestricted contract pharmacy expansion have turned 340B into a black-box revenue stream for PBMs and for-profit pharmacies.”

COA underscores that drug manufacturers’ efforts to impose reasonable safeguards – such as limiting contract pharmacies and requiring claims-level data through a rebate-based model – are necessary reforms that would inject long-overdue transparency into the 340B program and ensure discounts benefit the patients the statute was designed to serve.

COA’s filing reinforces policy positions the organization has advanced in multiple federal comment letters and in its Prescription for Health Care Reform, which call for comprehensive oversight of PBMs, limits on abusive contract pharmacy arrangements, and a restructuring of 340B to restore accountability and patient benefit.

“The evidence is overwhelming: PBMs and their contract pharmacies have hijacked 340B, causing irreparable harm to patients and independent community oncology practices,” said Okon. “Policymakers and courts must stop enabling this unchecked growth and return the program to its mission of helping those most in need.”

The case is AbbVie Inc., et al. v. Frey, No. 25-1914 (1st Cir.). Amicus brief filed for the Community Oncology Alliance by Frier & Levitt, LLC.

The full amicus brief filed today is available on the COA website at https://mycoa.communityoncology.org/publications/comment-letters/coa-amicus-brief-in-maine-340b-case.

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About the Community Oncology Alliance
The Community Oncology Alliance (COA) is a nonprofit organization dedicated to advocating for community oncology practices and, most importantly, the patients they serve. COA is the only organization dedicated solely to community oncology where the majority of Americans with cancer are treated. The mission of COA is to ensure that patients with cancer receive quality, affordable, and accessible cancer care in their own communities. Learn more about COA at www.communityoncology.org.

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