

# 340B PROTECTS PATIENTS AND COMMUNITIES FROM HIGH DRUG PRICES

Since its inception, the 340B Drug Pricing Program has helped ease the burden of high drug prices so hospitals can spend more on patient care and service to the community. Hospitals that depend on the 340B program share a mission: to care for people who have nowhere else to turn, including low-income working families, the uninsured, and other vulnerable patients. These hospitals also protect the community with trauma care and other lifesaving services. Meeting this mission comes at a high cost, and essential hospitals operate with the narrowest of margins. The 340B program helps these hospitals stretch their scarce resources at nearly no cost to taxpayers.

## 340B HELPS ESSENTIAL HOSPITALS REACH THEIR COMMUNITIES IN UNIQUE WAYS

Essential hospitals disproportionately treat uninsured, Medicaid, and other low-income patients. **The 340B program gives these hospitals the ability to tailor programs to their community's unique challenges:**

- In Des Moines, Iowa, Broadlawns Medical Center uses 340B savings to offset the costs of outpatient medications for low-income residents in the state's public health insurance program, IowaCare, which does not cover these drugs. 340B fills that gap and improves medication compliance for patients with chronic conditions.
- Arrowhead Regional Medical Center (ARMC), in Colton, California, serves mostly uninsured and Medicaid patients. The 340B program saves tax dollars by letting ARMC treat as outpatients people who the hospital otherwise would admit. It also allows ARMC to pay 40 percent less for lifesaving medications and use those savings to expand services to more patients.
- Savings from 340B allow University of Illinois Health (UI Health) to offer housing assistance and care managers for chronically homeless emergency department users. This initiative has reduced health care costs by 42 percent for these patients.

## RISING DRUG PRICES UNDERSCORE NEED FOR 340B

Manufacturers mislead lawmakers and the public when they blame rising drug prices on 340B. In reality, 340B discounts represent only about 1 percent of total U.S. drug spending.<sup>1</sup> **In fact, the 340B program is one of our most effective hedges against skyrocketing drug prices:**

- The \$3,300 retail price of the chemotherapy drug, Lomustine, far exceeded the insurance coverage of a brain cancer patient at Tampa General Hospital, in Tampa, Florida. 340B reduced that monthly cost to \$21.
- A UI Health patient's employer-sponsored insurance had no drug coverage, leaving him unable to afford the more than \$300 price tag for diabetes and hypertension medication. 340B reduced his total cost to \$50.

## MORE REPORTING WILL BURDEN HOSPITALS AND DO NOTHING ABOUT PRICES

Hospitals in the 340B program take extensive steps to comply with the program's reporting requirements. Contrary to the unfounded claims of 340B critics, essential hospitals believe strongly in program integrity and transparency. Despite their slim and often negative margins, these hospitals bear the full cost of 340B compliance—no federal funding is used.

Even with its long record of success, the 340B program still faces undue scrutiny, distorted and misleading claims, and demands for onerous new reporting. Criticism of the 340B program largely is misguided and uninformed. Creating new, complex, and burdensome requirements for hospitals that already face financial hardship is not helpful. **Not only will additional reporting fail to solve the larger problem of exorbitant drug costs, it also will fail to provide broader oversight of the 340B program and drug manufacturers.**

1. Dobson A, Murray K, DaVanzo J. *Assessing the Financial Impact of the 340B Drug Pricing Program on Drug Manufacturers*. Vienna, Virginia. July 2017. <http://bit.ly/2sCn3bM>. Accessed February 2018.