

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:**

- Broadlawns Medical Center, in Des Moines, Iowa, 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.
- At Riverside University Health System, in Moreno Valley, California, 340B savings support a Sexual Assault Response Team (SART) that provides 24-hour comprehensive, coordinated forensic and medical services, social worker consultations, sexually transmitted infection treatment, and follow-up care. RUHS provides these and other SART services at no cost to 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 alone control the prices of the drugs they sell, and they mislead policymakers and the public when they blame escalating prices on 340B. In fact, 340B discounts represent about 1.3 percent of \$457 billion in U.S. drug sales, the most recent government figures show, and the 10 largest drugmakers make an average profit of about 20 percent. Rather than a catalyst for high drug prices, the 340B program is one of the few tools available to keep skyrocketing prices in check:

- 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 monthly cost of diabetes and hypertension medication. 340B reduced this total 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 and bear the full cost of compliance, further straining their already slim margins. Since fiscal year (FY) 2012, hospitals and other 340B covered entities have provided ample transparency through nearly 900 federal audits. By contrast, drugmakers have faced only 11 audits since FY 2015, the year manufacturer audits began.

Despite strong provider oversight already in place, some policymakers have called for more reporting. But no proposal yet has linked additional reporting requirements to meaningful care improvements or better health. **More likely, new reporting requirements would only further burden providers, weaken their ability to serve vulnerable patients, and fail to solve the nation's larger problem of runaway drug prices.**