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New Report Finds 340B Hospitals Have Low Compliance with ACA Charity Care Requirements
Research Shows Charity Care Non-Compliance Rates at ~40 Percent for 340B and Non-340B Hospitals

WASHINGTON, D.C. (April 25, 2016) – The Alliance for Integrity and Reform of 340B (AIR340B) today released a [new report](#) from the Berkeley Research Group (BRG) examining hospitals’ compliance with the Affordable Care Act’s (ACA) charity care requirements. The report, which expands on a study published in the [New England Journal of Medicine \(NEJM\)](#) last year, found large numbers of both 340B and non-340B hospitals not complying with key ACA protections for low-income patients. These protections include rules designed to ensure the lowest income patients are not charged excessive amounts for hospital care and are made aware of a hospital’s charity care program. The 340B hospitals included in this assessment generally did not have higher rates of compliance with these rules than other nonprofit hospitals despite 340B hospitals receiving additional financial benefits, totaling almost \$4 billion in 2015, through access to discounted medicines.

“The 340B program was created to provide a safety net for America’s most vulnerable patients, so it is concerning to see 340B hospitals falling short of meeting some of the protections created in the ACA for our poorest and most vulnerable citizens. The protections in the ACA are similar to those the 340B grantees are already meeting, begging the question of whether the current 340B eligibility rules for hospitals are targeting true safety net facilities,” said Stephanie Silverman, spokesperson for AIR340B. “Reform is needed to ensure needy patients, not hospitals, are the ones benefiting from this important program.”

Since the implementation of the ACA, hospitals must self-report on five charity-care requirements, including having written charity and emergency care policies, notifying patients of financial assistance policies and limiting charges for patients who qualify for charity care. For this study, BRG assessed compliance rates between 2012 and 2013 at 1,723 340B and non-340B hospitals and found the following:

- Compliance with the new ACA charity care requirements improved during this time, but non-compliance with several measures still approaches or exceeds 40 percent of the time for both 340B and non-340B hospitals
- Only 37 percent of 340B hospitals reduced their charges for patients eligible for charity care in 2013
- Only 60 percent of 340B hospitals regularly notified patients of potential charity care eligibility before collecting payments in 2013

This report is further evidence that the current rules of the 340B program are not aligned with program’s original goals of helping improve access to medications for patients at safety net facilities. “Given the program’s original purpose, AIR340B is concerned that 340B hospitals do not have higher compliance with the current charity care requirements as these checks and balances do more to help the needy patients the program was created to help,” Silverman said.

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The Alliance for Integrity and Reform of 340B (AIR 340B) is a coalition of patient advocacy groups, clinical care providers, and biopharmaceutical innovators and distributors dedicated to reforming and strengthening the 340B program to ensure it directly supports access to outpatient prescription medicines for uninsured or vulnerable patients. www.340Breform.org