



Media Contact:

Gretchen Moore, Powell Tate
202.585.2030
gmoore@powelltate.com

New Study Finds Unprecedented 340B Growth Likely to Continue

Over Next Five Years, 340B Drug Pricing Program Projected to Exceed \$23B in Total Purchases

WASHINGTON, D.C. (December 6, 2016) – A [new study](#) released today by the Alliance for Integrity and Reform of 340B (AIR 340B) projects the 340B Drug Pricing Program will continue to expand at an unprecedented rate through 2021, by which time it is expected to exceed \$23 billion in total purchases at the 340B price. This rapid expansion would see 340B purchases surpass current Medicare Part B drug reimbursement purchases over the next five years.

The new study – based on analysis of data on total drug purchases through 340B from 2005 to 2015 – found many of the same factors that led the 340B program to more than double in size from 2010 to 2015, and expand by 66 percent between 2013 and 2015, are likely to continue for at least the next five years.

Despite the unchecked growth in the 340B program, the President’s budget for the [Health Resources and Services Administration](#) (HRSA) Office of Pharmacy Affairs, which oversees the program, only allocates \$10 million to HRSA for the entire 340B program administration – a fact that calls into question whether adequate resources are being allocated to ensure proper oversight.

“The rapid growth of the 340B program and its projected growth over the next five years are alarming,” says Stephanie Silverman, AIR340B’s spokesperson. “Even as the number of uninsured Americans has declined, the 340B program is continuing to grow, raising questions about whether and how the program is truly benefiting patients in need.”

Additional key findings from the report include:

- A key driver of program growth for the next five years will be expanded utilization at existing 340B entities through practice acquisitions, physician practice affiliations, patient referrals and contract pharmacies.
- By 2021, legally required 340B discounts by manufacturers will exceed \$16 billion, more than five times the federally mandated branded prescription drug fee.
- The growth of contract pharmacies (subject to very few rules and limits) will result in utilization that will surpass \$6 billion at the 340B price by 2021.
- At current staffing levels, the average HRSA auditor will be responsible for providing oversight of \$1 billion in drug purchases at more than 4,000 distinct covered entity or contract pharmacy locations by 2021.

In addition to concerns about 340B oversight as its spending continues to grow, recent research in the



New England Journal of Medicine shines light on another consequence of program growth. The report found that the 340B program is “so vast for drugs that are commonly infused or injected [...] that their prices are probably being driven up for all consumers.”

“The 340B program is an important safety net for vulnerable patients, but unfortunately its growth has gone unchecked for too long – and without assurances that patients are the ones truly benefitting. Policymakers should reexamine the program given this growth and reform it to ensure it is consistent with the program’s original intent, which is to improve access to medicines for uninsured or vulnerable patients.” Silverman said.

###

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 indigent patients. www.340Breform.org