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The Time for Strengthening the 340B Program is Now

Patient and Policy Organizations Ask Members of Congress for Increased Oversight of the 340B Program

WASHINGTON, D.C. (March 9, 2017) – The Alliance for Integrity and Reform of 340B (AIR340B) today delivered a [letter](#) to Members of Congress urging them to take action and increase oversight of the 340B program.

The letter to the leadership of the Senate Committee on Health, Education, Labor and Pensions and House Committee on Energy and Commerce was signed by more than 10 advocacy organizations calling for reform of the 340B program to address the program’s unchecked growth and lack of program safeguards to ensure that the program is properly targeted to safety net facilities and the patients they treat. The program, enacted in 1992, requires prescription drug manufacturers to provide discounts on outpatient medicines to specified federally-funded clinics and certain hospitals as a condition of participation in the Medicaid program.

While the signers support the original intent of the program to help uninsured or otherwise vulnerable patients served by safety net facilities, the letter highlights several areas of reform that need to be addressed, including:

- **Rapid Growth:** The 340B program has more than [doubled in size](#) in recent years, with total sales of drugs increasing from \$5.9 billion in 2010 to more than an estimated \$16 billion in 2016 and projected to reach \$23 billion by 2021.
- **Lack of Charity Care:** A recent [analysis](#) found 37 percent of 340B hospitals provided charity care representing less than 1 percent of total patient costs.
- **Oversight and Standards:** The program needs a clearer definition of a 340B patient, updated hospital eligibility criteria to be tied to true safety net status and more limits on contract pharmacies.

The letter calls on Congress to take action, stating, “As the program continues to grow without all the necessary standards and oversight, we are concerned that it may lead to perverse financial incentives that fail to take into consideration patient care. These concerns have been echoed by a number of stakeholders and government agencies, including the Government Accountability Office, which in a July 2015 report concluded that Medicare beneficiaries were prescribed more drugs, more expensive drugs, or both, at 340B DSH hospitals than at comparable non-340B hospitals.”

“340B is a critical program created to ensure our nation’s most vulnerable patients have access to the medicine they need, but we need to get the program back on track to ensure patients are the ones benefiting,” Stephanie Silverman, spokesperson for AIR 340B.

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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 dedicated to reforming and strengthening the 340B program to ensure it directly supports access to outpatient prescription medicines for uninsured indigent patients. Alliance members believe that the 340B program is critically important to uninsured indigent patients and that attention is needed to address concerns over whether the program has deviated from its original purpose and is leading to unintended consequences for patients. www.340Breform.org