

AIR340B COALITION RELEASES NEW REPORT ON DSH HOSPITALS' DECLINING CHARITY CARE RATES

Report Finds DSH Hospitals Decreased Charity Care When Joining 340B Program or Expanding 340B Sites

WASHINGTON – Today, the AIR340B Coalition released a [report](#), which found evidence that disproportionate share hospitals (DSH) participating in the 340B drug discount program often are not using the program as originally intended. The report comes a day before the House Energy & Commerce Subcommittee on Oversight and Investigations holds a hearing to investigate how providers utilize revenue generated by the 340B drug discount program.

The new report suggests that there's a growing number of hospitals taking advantage of the 340B program in recent years, while not providing the charity care one might expect them to provide given their participation in a safety-net program. Avalere Health, LLC conducted the data analysis of hospitals newly participating in 340B and hospitals that expanded the 340B program's reach by adding a sizable number of new outpatient sites to the program, Avalere's results show that:

- **For new disproportionate share hospitals (DSH) participating in the 340B program for the first time in 2015, nearly 7 out of 10 (69 percent) had lower reported charity care levels** in 2015 compared to both 2014 and 2013 when they weren't enrolled in the program.
- **For DSH hospitals that expanded the number of their 340B sites in 2015, 61 percent had lower charity care levels** in 2015 compared to both 2014 and 2013 despite the additional revenue received from discounted 340B prescriptions at those new 340B sites.

The report notes the alarming fact that between 2013 and 2015, **340B DSH facilities decreased charity care levels more substantially than non-340B DSH hospitals**, an issue that highlights the dire need for modernization of the 340B program. Due to a lack of requirements on how 340B DSH hospitals use revenue generated through 340B, hospitals can use the revenue to expand their bottom lines instead of providing additional charity care to needy patients.

The AIR340B Coalition continues to call for increased oversight of the 340B program, including fixes to the program that would provide clearer definitions of 340B eligible patients and standards for hospitals/satellite clinics, as well as more sound policies on contract pharmacy arrangements.

AIR340B welcomes the Oversight and Investigations Subcommittee's continued review of how covered entities utilize the 340B program, and urges Congress to take further steps to improve the program. A modernized 340B program will help better guarantee that vulnerable or uninsured patients are actually seeing benefits from the program.

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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. www.340Breform.org