What They're Saying: 340B Reform is Needed to Protect Patients, Not Hospital Profits

AIR 340B
Alliance for Integrity & Reform

The 340B Drug Pricing Program is a federal safety net program created over 30 years ago to help vulnerable patients access medications. Under the program, biopharmaceutical companies provide medications at deep discounts to hospitals, community health centers and other providers with the expectation that those entities will use the savings to help vulnerable patients access the health care they need. Unfortunately, the 340B program has morphed into a massive profit generator for hospitals, pharmacy chains and middlemen like pharmacy benefit managers (PBMs), failing to deliver discounted medicines to patients who need them most.

We need commonsense, federal action to ensure this program serves patients, not profits.

"In the litany of examples of how the U.S. health care system has become so broken, none is as instructive as the 340B Drug Discount Program. Once an obscure program that ensured that a few dozen safety-net hospitals and clinics could help low-income patients without suffering financially, it has become twisted into a "cash cow" for major healthcare systems that, ironically, incentivizes participants to put patients with commercial insurance first…and uninsured and Medicaid patients last."

– Dr. Madelaine Feldman | Coalition of State Rheumatology Organizations (CSRO)

RealClearHealth (Opinion): Improving 340B Will Help Low-Income Patients

"Unfortunately, the 340B program no longer serves its intended purpose and has turned into a profit driver for big pharmacies and hospitals. Today, Walgreens and CVS account for 60% of contract pharmacies, raking in huge profits from 340B discounts without passing those savings along to patients. A 2020 report found that the average profit margin on 340B medicines dispensed through contract pharmacies was an astonishing 72%, compared with just 22% for non-340B medicines."

– Dr. Mark Box | Midwest Rheumatology Association

The Kansas City Star (Opinion): Affordable Rural Medication Program is Rife with Abuse. Missouri, Don't Make it Worse

"Through the misuse of the 340B program across the nation, including in Kansas, massive national chain pharmacies have driven many local, mom-and-pop pharmacies out of business over the past several years. Haven't the likes of Walmart and Walgreens done enough to harm main streets across Kansas? Pharmacies are essential to the communities they serve. But in Kansas and throughout America, rural independent drugstores are struggling."

– Dr. Kent Kaiser | Domestic Policy Caucus

Domestic Policy Caucus Letter to Kansas Governor

"Roughly 25 years ago, Congress created a program, the 340B Drug Discount Program, to help safety- net clinics and community health centers improve the health of needy communities throughout the country. Unfortunately, some bad actors are taking advantage of the program for their own benefit while communities, including here in Texas, are suffering."

– Dr. Ray Page | The Center for Cancer and Blood Disorders in Fort Worth

Denton Record-Chronicle (Opinion): Support Bipartisan Fixes to the 340B Drug Discount Program

"340B hasn't been implemented in a way that necessitates that the profits from that program always will go toward the care for the poor and underserved. Sometimes the funds are used to care for the poor and underserved. Sometimes they're used to bolster executive compensation. Sometimes they're used to develop physical plants."

– Dr. Debra Patt | Texas Society of Clinical Oncology

Texas Hospitals Worried About Impact of Cuts to Drug Discount Program

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"A promising bright spot of the program's growth centers around the unique opportunity to reduce health inequities by serving patients in rural or low-income areas, as most disproportionate share hospitals do. Yet, a recent report found that only 38% of 340B hospitals and less than one-third of affiliated sites and contract pharmacies are located in medically underserved areas."

– Dr. Diane Nugent | Center for Inherited Blood Disorders (CIBD)

Times of San Diego (Opinion): It's Past Time for Congress to Reform 340B - Patients and Clinics Are At Risk

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"Unfortunately, medical facilities use the 340B program as another income source. Elected officials argue that the money comes from drug manufacturers and not taxpayers, so why not expand the program. Although it began with the goal of helping the poor, the 340B program has morphed into a supplemental income plan for the participating medical facilities. The poor are not being helped as originally intended."

– Dr. Robert Stark | Mountain States Policy Center

Mountain States Policy (Blog): The Hospital 340B Program - Helping the Poor Afford Prescription Drugs or Helping Hospitals' Financial Status?

"Hospitals can treat the minimum number of low-income hospital patients and become eligible for 340B discount pricing. They are then able to charge full price in any clinic within their system even if that specific clinic only treats patients with private insurance. This creates a vicious cycle of consolidation as private practice clinics have a hard time competing with these ridiculous margins, especially in oncology. Indeed, the data shows that most of the expansion of the 340B program has occurred in affluent communities."

– Dr. Richard Menger | University of South Alabama

AL.com (Opinion): Alabama Hospitals Need Competition

"A lack of transparency has allowed pharmacies to dispense drugs that were acquired through the 340B program at a fraction of the market cost while subsequently receiving a full payout from private insurance or Medicare Part D. As the waters are muddied, other patients who are supposed to receive discounts are lost in the shuffle."

– Dr. Katerina Lindley | American Association of Physicians and Surgeons

Townhall (Opinion): Federal Drug Pricing Program is Off the Rails

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"The program has grown rapidly among hospitals that serve wealthier patient populations. 340B hospitals are expanding into more affluent neighborhoods, and they are mindful of payer mix as they move into areas with fewer publicly insured patients. 340B institutions are more likely to avoid counties with lower income levels and more uninsured patients."

– Dr. Anthony M. DiGiorgio | University of California, San Francisco

Health Affairs (Opinion): 340B: Good Intentions in Need of Reform