

340B Drug Pricing Program Overview

What is 340B?

The **340B Drug Pricing Program** is a federally-funded program that allows certain hospitals and clinics (“covered entities”) that serve many uninsured and low-income patients to buy prescription drugs directly from drug manufacturers at a much lower cost. The program is designed to help hospitals and clinics participating in the 340B program use the savings from the discounted drugs to expand healthcare services and provide charitable care for the uninsured and low-income patients in their communities.

How Is 340B Working?

As the 340B program has expanded, **concerns have been raised** by patient advocacy groups, policymakers, drug manufacturers, and more about the lack of transparency and oversight into how 340B hospitals and other covered entities use the savings from the drug discounts. While some covered entities use the funds as intended, to support patient care, evidence suggests that others may be taking advantage of the program for profit, often without passing the savings or better access to quality care onto patients.

The Need for Policy Change: The high cost of medical care places a significant financial burden on patients and their families, particularly those with chronic illnesses like cancer. This increases the risk of medical debt, which in turn makes patients more likely to delay or abandon treatment, ultimately leading to poorer health outcomes.

Cancer drugs are the second-largest area of spending in the 340B program. These treatments are often expensive but essential for patients. When the program is misused, however, it can fall short of its purpose, failing to improve access to affordable treatment and support for the low-income and uninsured patients it was designed to help. **We need to make sure 340B savings are truly used to lower costs and improve care for the patients who need it most.** By requiring 340B entities to report how they use these savings, we can increase transparency and strengthen accountability, ensuring the funds are used as intended. These steps will help the program better serve the patients and communities it was created to help.

340B Must Work for Patients!

There must be measures in place to ensure the 340B Drug Pricing Program is fulfilling its purpose: using savings from discounted drug prices to provide affordable medications and healthcare services to low-income and uninsured patient populations who need them most. **To improve this program, reduce financial burdens on patients, and increase access to care, we need to advocate for reforms that put patients first.**

What Do We Need?

Increased Transparency

Require hospitals, clinics, and other entities that participate in the 340B program to regularly report:

- The amount of revenue they received from 340B drug discounts
- How that revenue is being used to improve patient care
- How they specifically help low-income and uninsured patients

Stronger Oversight & Accountability

- Ensure only true safety-net providers – hospitals, clinics, and pharmacies that serve a significant percentage of low-income and uninsured patients – are participating in 340B.
- Prevent the misuse of discounted medicines by strengthening reporting requirements. This will help ensure savings from the discounted drugs are used directly to support patient care and benefit the low-income and uninsured patient populations the program was designed to help

If 340B hospitals and clinics are currently using 340B savings as the program intended – to help low-income and uninsured patients in need – these changes will not cause issues or affect patient care. **Now is the time to advocate for patient-centered reforms that protect both the integrity of the program and the patients who depend on it!**