

Issue Brief

340B Drug Pricing Program



The Issue

- The federal 340B Drug Pricing Program (340B Program) provides discounted outpatient drugs to government-funded hospitals, health systems and clinics serving low-income patients without using taxpayer dollars.
- By providing outpatient pharmaceuticals at discounted rates, the 340B Program enables hospitals to provide reduced-price drugs to patients, expand comprehensive health services and offset losses from serving patients who cannot pay.
- There are six Presence Health hospitals that are covered entities under the 340B Drug Pricing Program.
- The 340B Program plays an important role in the provision of pharmaceuticals to the vulnerable populations that our hospitals serve and in particular, it has enabled Presence Health hospitals to stretch scarce resources and provide services for underserved and uninsured patients who cannot afford to pay for care.

Impact

- The 340B Program has helped reduce the high costs of treating our indigent, uninsured and underinsured patients while expanding access to needed medications and services.
- Through the 340B Program, Presence Health hospitals have increased the number of low-income patients we serve. These patients have received life-saving drugs, and the availability of these discounted drugs through the 340B Program has also reduced readmissions.
- As a result, our hospitals have used the savings to invest in programs to meet essential community needs, expand health care services to the community and offset losses from uncompensated care.

Our Position

- **340B helps increase access to life-saving drugs without using taxpayer dollars.** Presence Health believes that the 340B program should be both cost-effective and administered with the highest regard to protecting program integrity. We believe the purpose of the 340B program provides hospitals with revenue to increase health services to needy and uninsured patients.
- **340B savings allow hospitals with large uninsured, Medicaid or Medicare populations to serve more patients.** The 340B Program helps create the financial capacity for high volume providers to innovate and move to population health as well as provide community health programs to vulnerable populations.
- **Congress should protect the 340B program.** If the 340B Program were to be restricted, economic consequences would be significant and critical services would be cut back at our Presence Health hospitals. The loss of the savings associated with the prescriptions in the 340B Program would limit our ability to finance a significant amount of community health services that we currently provide to patients.