

PROTECT THE 340B DRUG PRICING PROGRAM

The 340B Drug Pricing Program has provided financial help to safety-net hospitals and clinics for over 25 years to manage rising prescription drug costs and preserve access to needed health care services. Under the federal 340B program, pharmaceutical manufacturers participating in Medicaid are required to sell outpatient drugs at discounted prices to eligible health care organizations that care for a large percentage of uninsured and low-income patients. This creates cost-savings opportunities for patients.

Elimination or carving the 340B program out of the Prepaid Medical Assistance Program (PMAP) program would jeopardize this important finance mechanism for hospitals and clinics.

- Hospitals may use 340B savings to provide free care for uninsured patients, offer free vaccines, provide services in mental health clinics, and implement medication management programs and community health programs.
- The health care status or income of a patient does not affect the ability of a hospital to access 340B discounts. If the hospital's overall patient population meets the requirements, discounts are available for all eligible drug purchases.
- According to the Health Resources and Services Administration (HRSA), the federal agency responsible for administering the 340B program, enrolled hospitals and other covered entities can achieve average savings of 25 to 50% on pharmaceutical purchases.



The 340B program is under attack.

- As a result of changes in reimbursement policies, the resources available through the program have significantly decreased.
- Despite the 340B program's over 25-year track record of increasing access to care for vulnerable patients and communities, some, including the pharmaceutical lobby, want to scale back or eliminate it. This would hurt patients while adding to the record profits of pharmaceutical companies.
- The pharmaceutical industry routinely overstates the amount of savings the program provides. In reality, less than 3% of the \$457 billion in annual drug purchases made in the U.S. are even eligible.

MHA urges protection of the 340B program.

Contact Mary Krinkie (mkrinkie@mnhospitals.org) or Danny Ackert (dackert@mnhospitals.org) for more information to help protect the 340B program.



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