

340B Drug Pricing Program



PROTECTING PENNSYLVANIA'S SAFETY NET

For more than 25 years, Congress has provided relief from high prescription drug costs through the **340B Drug Pricing Program**. The program requires participating pharmaceutical companies to sell covered outpatient drugs at a discount to eligible health care organizations. To be eligible, hospitals must serve a disproportionate share of uninsured and low-income patients. This program gives patients better access to drugs they need and helps hospitals enhance care capabilities by stretching scarce federal resources.

Small Program, Big Benefits



2.8%

Portion of the United States' \$457 billion in annual drug purchases made through the 340B program in 2015.

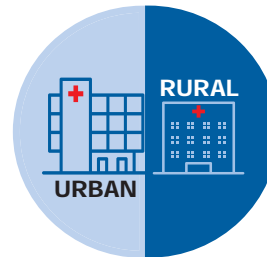
\$3.5 BILLION
IN COMMUNITY BENEFIT
FOR FISCAL YEAR 2015

340B creates valuable savings on outpatient drug expenditures to reinvest in patient care and health activities to benefit the communities they serve. It also saves money for state and federal governments.

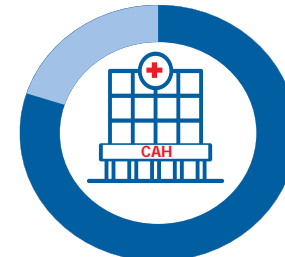
1,084 PROVIDERS,
INCLUDING **48 HOSPITALS** IN
PENNSYLVANIA PARTICIPATE IN THE
340B DRUG PRICING PROGRAM

340B increases access to care for our most vulnerable populations; participating hospitals provided \$324.8 million in uncompensated care in fiscal year 2016.

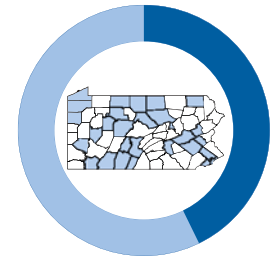
Who are 340B Hospitals?



About **half** are urban; half are rural



80% of PA critical access hospitals (CAH) participate in 340B (12 out of 15)



45% of Pennsylvania hospitals (in 30 counties) participate in 340B

340B Hospitals Meet Rigorous Requirements

340B Eligibility

Hospitals must:

- Be designated as a not-for-profit hospital.
- Be classified as a Children's Hospital, Cancer Hospital, Sole Community Hospital, Rural Referral Center, Critical Access Hospital or a Medicare Disproportionate Share Hospital.
- Serve a large proportion of uninsured and low-income patients.
- Undergo random audits by the federal government and pharmaceutical manufacturers.
- Recertify annually as an eligible 340B provider.
- Maintain auditable inventories for 340B and non-340B prescription drugs.

PRESERVE THE 340B PROGRAM; PROTECT PENNSYLVANIA'S SAFETY NET

Sources: Health Resources and Services Administration, IMS Health, American Hospital Association, Apexus, 340BHealth, Pennsylvania Health Care Cost Containment Council, HAP