HOW THE 340B PROGRAM IS CONTRIBUTING TO HEALTH INEQUITIES

Over the 30 years since the 340B program was created, it has devolved from one that could have made health care more equitable through improved access to medicines for vulnerable communities to one that has resulted in disparities in how certain populations access care. **A mere 38% of 340B disproportionate share hospitals, and even fewer of their off-site clinics and partner pharmacies, are located in medically underserved areas**.[1] This means 340B entities tend to be in wealthier communities instead of the indigent communities the program was meant to serve. Concerning evidence shows this is a growing problem that must be addressed through changes to the 340B program.

340B IS EXPANDING INTO MORE AFFLUENT AND LESS DIVERSE COMMUNITIES

The majority (61%) of **340B hospitals' off-site clinics** are located in different ZIP codes than the hospital they are affiliated with, and those clinics often are in wealthier and less diverse communities.[2]

26% of off-site clinics in ZIP codes with **percent of white residents at least 30% higher** than parent hospital	**47%** of off-site clinics in ZIP codes with **median income at least 30% higher** than parent hospital

From 2011 to 2019, the share of **340B pharmacies** in socioeconomically disadvantaged and primarily non-Hispanic, Black and Hispanic/Latino communities declined, while the share of 340B pharmacies in the highest-income neighborhoods increased.[3]

-5.6% growth in share of 340B contract pharmacies in lowest income neighborhoods	**-3.2%** growth in share of 340B contract pharmacies in predominantly black neighborhoods	**+5%** growth in share of 340B contract pharmacies in highest-income neighborhoods

VULNERABLE PATIENTS ARE NOT BENEFITING FROM 340B

- There are zero patient protections and zero requirements for how hospitals use profit they generate through 340B to help patients afford their medicines.
- 340B hospitals often do not include information to help low-income patients access prescription medicines in their financial assistance policies.[4]
- Roughly two-thirds of 340B hospitals provide less charity care than the national average for all hospitals.[5]
- 340B hospitals often spend less on charity care and community investment than the estimated value of their tax breaks.[6]

1 Xcenda, "340B – A Missed Opportunity to Address Those That are Medically Underserved," November 2021
2 Avalere, "340B Hospital Child Sites and Contract Pharmacy Demographics," April 2022
3 Journal of the American Medical Association, "Assessment of US Pharmacies Contracted with Health Care Institutions Under the 340B Drug Pricing Program by Neighborhood Socioeconomic Characteristics," June 2022
4 Center for Public Health Law Research at Temple University's Beasley School of Law, "Patient Affordability and Debt Collection Policies at 340B Program Hospitals," May 2022
5 AIR340B, "Left Behind: An Analysis of Charity Care Provided by Hospitals Enrolled in the 340B Drug Pricing Program," February 2022
6 Lown Institute Hospital Index, "Fair Share Spending: How Much are Hospitals Giving Back to Their Communities?," 2022

"[H]ospital-affiliated clinics that registered for the 340B program in 2004 or later **served communities that were wealthier and had higher rates of health insurance** compared to communities served by hospitals and clinics that registered for the program before 2004."

Health Affairs, "The 340B Drug Discount Program: Hospitals Generate Profits by Expanding to Reach More Affluent Communities," October 2014

"[G]rowth of [pharmacy] contracts with 340B hospitals was **uncorrelated with uninsured rates, poverty rates, or areas of medical underservice**."

American Journal of Managed Care, "Association of 340B Contract Pharmacy Growth with County-Level Characteristics," March 2022

"Participation in the 340B Drug Pricing Program has **not been associated with increases in hospital-reported uncompensated care** provision."

American Journal of Managed Care, "340B Drug Pricing Program and Hospital Provision of Uncompensated Care," October 2021

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