

PBMs and Chain Pharmacies Make Billions Off 340B Program Without Clear Benefit to Patients

A Berkeley Research Group analysis explored the staggering side effects of pharmacy benefit managers' (PBMs) contract pharmacy expansion on the 340B program over the past 10 years. The misguided guidance that allowed 340B entities to contract with an unlimited number of for-profit retail pharmacies ultimately allowed for-profit vendors, pharmacies and PBMs to exploit the program.

\$13 Billion

generated in estimated gross profits for 340B covered entities and their contract pharmacies from 340B purchased medicines in 2018.

>8,500%

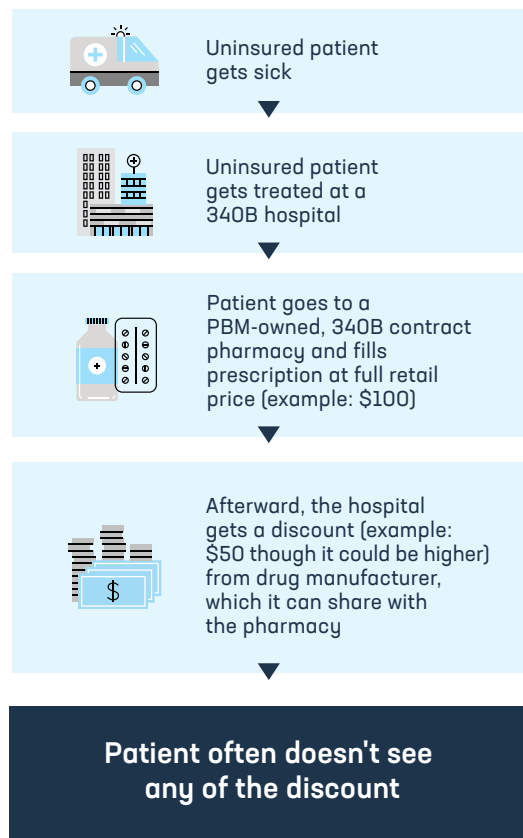
growth in the number of contracts with pharmacies since 2010.

>50%

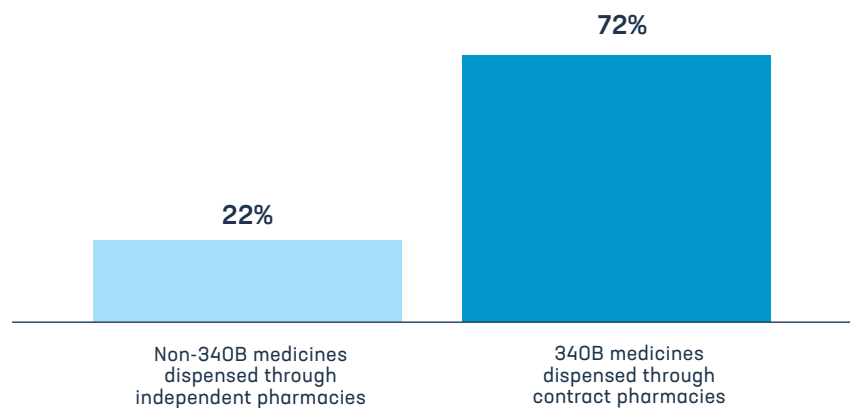
of 340B profits generated by contract pharmacies go to just four PBM and pharmacy corporations.



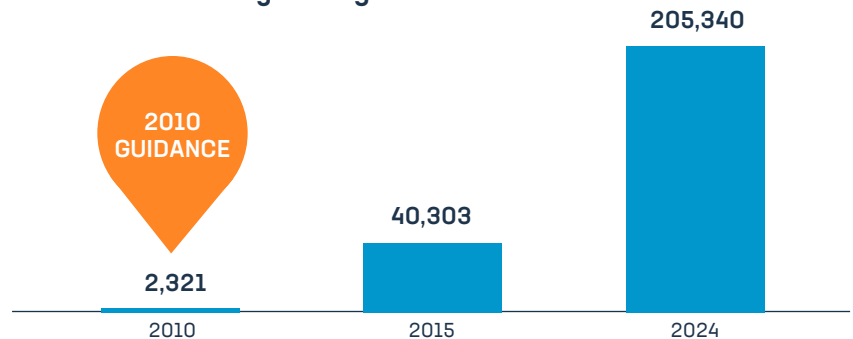
Here's an example of how it works:



Average Profit Margin



Contract Pharmacy Arrangements



Berkeley Research Group, "For-Profit Pharmacy Participation in the 340B Program," October 2020.
Berkeley Research Group analysis of Health Resources and Services Administration Office of Pharmacy Affairs registrations, January 2022.

Reforms are needed to ensure the program reaches the vulnerable and uninsured patients it was intended to help.

Learn more at PhRMA.org/340B