

NEW REPORT UNDERSCORES IMPORTANCE OF DRUG DISCOUNT PROGRAM FOR TREATING POOR AND VULNERABLE PATIENTS

New Analysis Addresses Misconceptions and Unfounded Criticism of Program

July 9, 2013—A new, comprehensive report corrects misinformation about a federal drug discount program and underscores how the program benefits vulnerable patients, including those with little or no ability to pay.

The report finds that the 340B drug pricing program continues to meet Congress' intent of "enabling safety net hospitals and other health care providers to stretch their scarce resources, serve more vulnerable patients, and provide more comprehensive services." It was issued today by Safety Net Hospitals for Pharmaceutical Access (SNHPA), an organization of close to 1,000 hospitals that participate in the program.

Twenty years ago, President George H.W. Bush and a bipartisan group of lawmakers enacted the 340B law, which requires pharmaceutical manufacturers to provide discounts on drugs to hospitals and other facilities that treat a disproportionate share of low-income and vulnerable patients. Since that time, Congress, under the leadership of both parties, has voted to expand the program to rural, children's, and certain cancer hospitals that treat high numbers of poor patients.

Critics of 340B claim the program has grown too much and that the savings are not always used to benefit patients. The analysis issued today, however, includes documented, independent research confirming that 340B hospitals use their savings to improve health care services and lower the costs of medicines, particularly to vulnerable patient populations. The analysis includes findings from the Government Accountability Office (GAO) and Mathematica Policy Research, a highly respected research organization.

"The 340B program strengthens the health care safety net, allowing vulnerable patients to access medicine and health care services they need to stay out of the hospital," said SNHPA President and Chief Executive Officer Ted Slafsky, MPP. "Without the 340B program, many safety net hospitals would have to limit services or even close their pharmacy doors. As a result, patients would lose access to health

care and communities would suffer. The cost of 340B to the pharmaceutical industry is negligible compared to its benefits.” The program represents just 2 percent of the \$325 billion U.S. market, according to industry and government studies.

Organizations representing both urban and rural health care providers also expressed their strong support for the program. “Thousands of vulnerable patients today have access to needed medications and other vital services as a result of 340B,” said Bruce Siegel, MD, MPH, President and CEO of America’s Essential Hospitals (formerly the National Association of Public Hospitals and Health Systems). “Without 340B, these patients likely would be sicker and more costly, and the hospitals on which they depend would have fewer resources to help them.”

Maggie Elehwany, Vice President of Government Affairs and Policy for the National Rural Health Association added, “The 340B program has been a lifesaver for rural Americans and hospitals facing significant financial challenges. Thanks to the program, patients can access affordable medications including chemotherapy and other critical services close to home.”

The analysis is being released with a new website—340BFacts.com—and associated Twitter feed—[@340BFacts](https://twitter.com/340BFacts)—to correct misinformation about the program and describe how hospitals use 340B savings to stretch their resources, serve more patients, and improve care for those most in need.

Safety net hospitals say opportunities exist to modernize the 20-year-old 340B program and that they are eager to work with Congress, the drug industry, and other stakeholders. The report includes a number of recommendations including greater pricing transparency and a review of the contract pharmacy program. “The 340B program is a privilege granted by Congress and is financed by the drug industry, we look forward to working with all parties to make the program even more effective,” said SNHPA’s Slafsky.

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Safety Net Hospitals for Pharmaceutical Access (SNHPA) is an association of nearly 1,000 hospitals with a mission to increase the affordability and accessibility of pharmaceutical care for the nation's poor and underserved populations. For more information about SNHPA and the 340B program, visit www.snhpa.org and 340BFacts.com.