


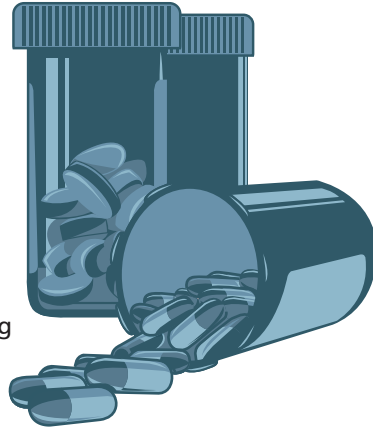
340B Hospital Drug Discount Program

WHAT IS THE 340B DISCOUNT PROGRAM?

The 340B program was initiated in 1992 by the U.S. Congress to:

22% OFF
Allow participating hospitals to generate additional revenue by purchasing certain drugs used for outpatient care at an approximately 22% discount while charging payers the full price.


 Support hospitals caring for uninsured patients and low-income patients with Medicare and Medicaid coverage, allowing the hospitals to reach "more eligible patients" and provide "more comprehensive services."



WHAT MIGHT BE CHANGING?

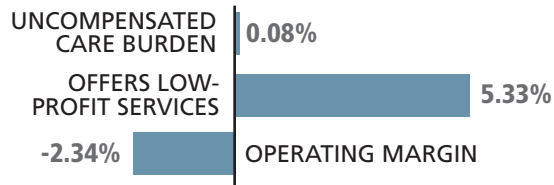
Effective January 2018, the Centers for Medicare & Medicaid Services reduced Medicare reimbursement to physicians administering discounted drugs acquired by most 340B hospital participants.

 **OPPONENTS OF REFORM** contend that 340B revenues finances safety-net services.

 **SUPPORTERS OF REFORM** contend that most participants do not direct revenue back to safety-net care.

PARTICIPANTS VS. NONPARTICIPANTS

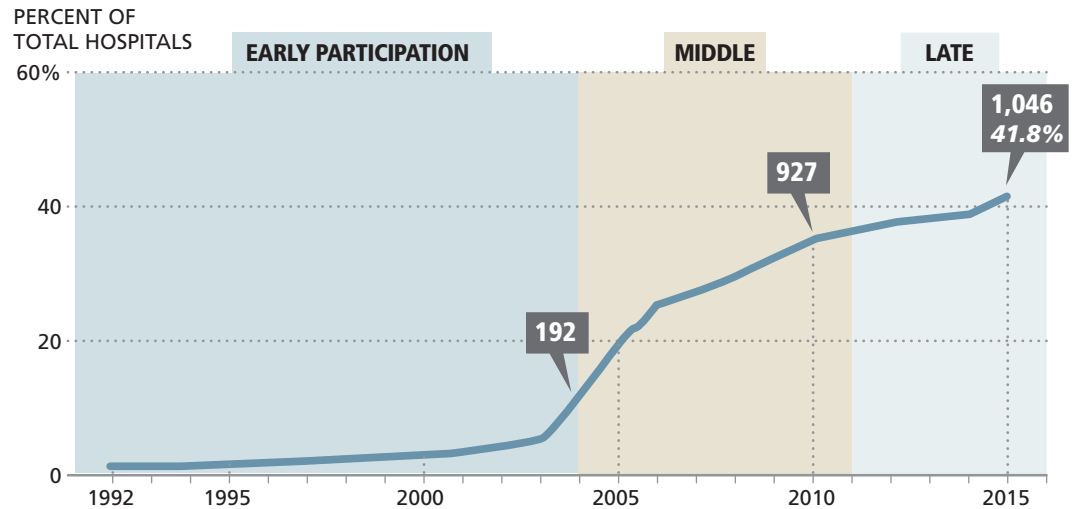
How uncompensated care, provision of low-profit services, and financial stability differed between nonprofit and public hospitals 340B participants against non-participants in 2015.



340B PARTICIPATION

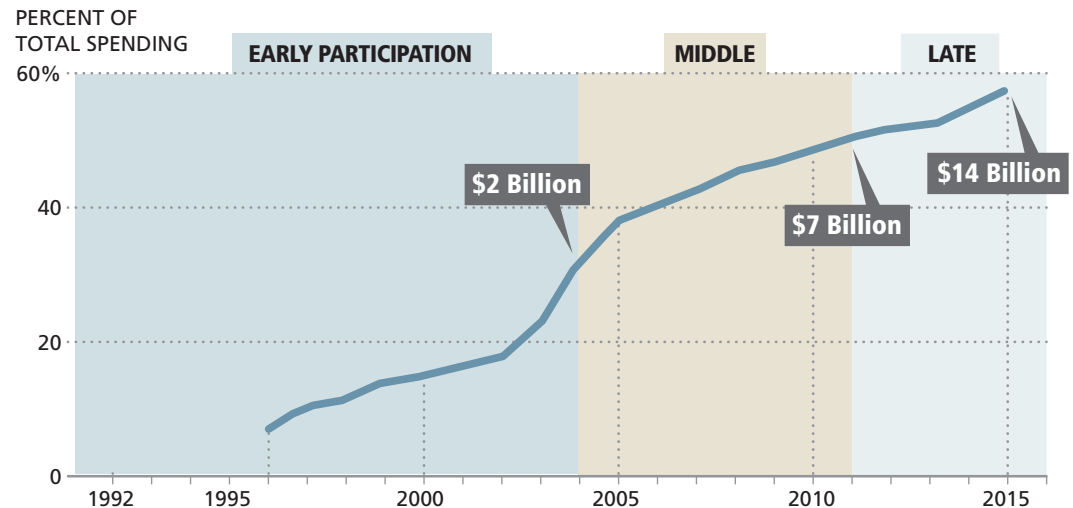
AMONG NONPROFIT AND PUBLIC GENERAL ACUTE CARE HOSPITALS

Before 2004, fewer than 200 hospitals participated in the 340B program. Seven years later, by the end of 2010, participation increased to 927 hospitals, predominantly among hospitals not targeted by expansion. Since then, participation has reached 1,046 hospitals, or 41.8% of all 2,054 nonprofit and public general hospitals in 2015.



340B SHARE OF TOTAL HOSPITAL OUTPATIENT DRUG SPENDING, IN BILLIONS OF DOLLARS

340B participants accounted for almost 60% of hospital outpatient drug spending in 2015.



SOURCE: JAMA: Internal Medicine, May 21st, 2018

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