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

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

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
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
6 Lown Institute Hospital Index, “Fair Share Spending: How Much are Hospitals Giving Back to Their Communities?,” 2022

Learn more at PhRMA.org/340B