Injectable and infused medicines—such as those for rheumatoid arthritis and oncology—are typically administered in an outpatient setting by physicians (either in a physician office or at a hospital outpatient clinic).

Research indicates that commercial payers reimburse hospital clinics at a higher rate than physician offices.\(^1,2\)

Hospitals also are eligible for discounts not offered to physician practices, such as the 340B Drug Pricing Program.

Hospitals Retain Significant Profits from Commercial Payers for Provider-Administered Medicines

Hospitals and Physicians Treat Similar Numbers of Patients but Hospitals Keep a Larger Share of Profit Margin

<table>
<thead>
<tr>
<th></th>
<th>Percent of Patients Treated</th>
<th>Percent of Gross Margin Retained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician Office</td>
<td>47%</td>
<td>9%</td>
</tr>
<tr>
<td>Hospital Outpatient</td>
<td>53%</td>
<td>91%</td>
</tr>
</tbody>
</table>

Hospitals collect 91% of the margin while serving 53% of patients receiving provider-administered medicines.

Hospitals Retain More than the Innovative Manufacturers that Developed a Medicine

For every $100 spent on provider-administered medicines in the hospital outpatient setting, the hospital retains $58, while the manufacturer receives less than $42.\(^3\)