



The 340B Drug Pricing Program:

Protecting the Safety-Net

The Johns Hopkins Hospital

Baltimore, Md.

The Issue: For more than 20 years, the 340B Drug Pricing Program has provided financial relief from high prescription drug costs to certain hospitals. Section 340B of the Public Health Service Act requires pharmaceutical manufacturers participating in Medicaid to sell outpatient drugs at discounted prices to health care organizations that care for many uninsured and low-income patients. This, in turn, allows hospitals to stretch limited federal resources to reduce the price of pharmaceuticals for patients and expand health services to patients.

While the 340B program accounts for only 2 percent of the \$325 billion in annual drug purchases made in the United States, it provides enormous benefits to eligible hospitals and the patients they serve. However, some policymakers and interest groups want to scale it back or significantly reduce the benefits eligible hospitals and their patients receive from the program.

The Hospital: The Johns Hopkins Hospital's mission is to improve the health of its community and the world by setting the standard of excellence in patient care. The Johns Hopkins Hospital, Johns Hopkins Bayview Medical Center and All Children's Hospital participate in the 340B program. In fiscal year (FY) 2013, the hospitals provided more than \$60 million in charity care and approximately \$284 million in total community benefits to people in the communities they serve.

The Benefits of the 340B Program:

Some examples of programs that were funded by savings from the 340B program are:

- The Access Partnership (TAP) is a mission-driven program designed to improve access to effective, compassionate, evidence-based primary and specialty care for uninsured and underinsured patients residing in the community surrounding The Johns Hopkins Hospital and Johns Hopkins Bayview Medical Center. From its inception in May 2009 through June 2014, the TAP program has provided medical services to 3,732 patients in Baltimore City and Baltimore County and has processed 9,124 specialty referrals across five Johns Hopkins clinical locations. In addition, TAP has provided 3,001 primary care visits to 1,027 patients. Through TAP, a majority of patients reported improved access to needed health care services and satisfaction with health care received through the program.
- The Outpatient Medication Assistance Program provides uninsured patients visiting clinics short-term access to prescription medications while supporting

efforts to obtain sustained coverage.

- The Special Needs Program provides funds designated to assist uninsured patients to obtain prescription medications at the time of discharge from the hospital. The hospitals offer free home delivery to discharged patients who face barriers to picking up their prescriptions.
- In FY 2014 prescription medication assistance was provided during more than 10,000 patient encounters including discharges from hospitals, clinic visits and/or primary care encounters.
- Johns Hopkins began two pilot programs in FY 2013 utilizing home visits to help patients manage their medications after a hospital stay. These pilots successfully transition patients to post-discharge medication therapy without treatment interruption. Pharmacists work individually with recovering patients in managing their medications. Both programs will be continued beyond the pilot phase due to their success.

Impact if the Program was Scaled Back:

The 340B program is a critical lifeline for Johns Hopkins and the patients it serves. The program continues to protect and preserve the ability of disproportionate share hospitals, like Johns Hopkins, to care for the most vulnerable patients regardless of their ability to pay. If the 340B program was scaled back, Johns Hopkins would likely be forced to consider reducing or eliminating certain auxiliary health care programs that are vital to the low-income, urban communities surrounding their flagship hospitals.

Preserve 340B to protect access to patient care