



The 340B Drug Pricing Program:

Protecting the Safety-Net

Providence Hood River Memorial Hospital Hood River, Ore.

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: Providence Hood River Memorial Hospital, a 25-bed critical access hospital, is the only hospital in Hood River County. The hospital and associated clinics provided more than 100,000 patient-centered visits in 2013. More than 20 percent of the patients are Medicaid or self-pay and another 42 percent are Medicare. In 2013, the hospital provided \$6.9 million in uncompensated care.

The Benefits of the 340B Program:

In 2013, Providence Hood River Memorial Hospital saved about \$650,000 through the 340B program. These savings have helped the hospital establish and support programs that increase access to care for patients and allow the hospital to provide the right care at the right time for its poor and vulnerable populations.

For example, savings from the 340B program helped the hospital establish a medication assistance program (MAP), and in 2013 it had 2,185 patient visits. One patient was an uninsured small business owner who was referred to the MAP by his oncologist because of non-compliance problems. The patient would purchase his cancer drugs during months he did well financially, but would skip purchasing them during difficult financial months. As a result, the patient was failing his therapy. Through the MAP, the patient was able to

obtain co-pay assistance, which lowered his out of pocket expense to \$25 per course of therapy. He became compliant with his medication regimen and is currently responding to therapy.

Another patient was a 68-year old man, who was referred to the program by his oncologist. He had recently been diagnosed with leukemia and was unable to afford his very expensive oral medication even though he was on Medicare and had supplemental insurance. He had applied for assistance to one of the drug manufacturer's relief programs, but he was denied because he had insurance. The MAP coordinator was able to obtain funds through the Healthwell Foundation to completely cover the deductibles and co-pay for this patient so that he was able to obtain his medication. The patient has responded to therapy and is doing well.

Impact if the Program was Scaled Back:

If the 340B program was scaled back, Providence Hood River Memorial Hospital would not be able to offer the enhanced pharmacy services that help patients. The pharmacist meets with each patient and his or her family to explain the chemotherapy, what to expect, and how to treat any side effect experienced. This program has reduced the incidence of severe nausea and vomiting, emergency department visits and overall patient anxiety regarding therapy.

In addition, the pharmacy department has begun to offer pharmacy pain consultations to those patients receiving high doses of chronic narcotic pain medication and is planning to offer a concierge medication service that would allow patients to leave the hospital with their medications in hand after consulting with a pharmacist. Without the 340B program, it would be difficult for the hospital to offer these services to patients.

Preserve 340B to protect access to patient care