

The 340B Program is Falling Dangerously Short of Its Mission



Here's How ASAP 340B's Policy Principles Will Save It

Some recipients of 340B discounts are abusing the lack of clarity in the 340B program, taking advantage of vulnerable communities, and jeopardizing the program's ability to help those it was intended to serve. ASAP 340B's **10 Policy Principles** are designed to help true safety-net providers increase access to affordable health care services and medications that should be available and easily accessible for all underserved communities.



The Expectation

340B savings should benefit underserved patient communities and their providers.

As any 340B hospital's footprint expands in the community, the amount of charity care should also increase because it is serving Medicaid and uninsured patients that generate high amounts of uncompensated care.



The Problem

While Community Health Centers and safety-net clinics reinvest income they get from the 340B program back into patient care, as required by federal law, other 340B recipients are allowed to spend their 340B profits in ways that don't benefit patients.

Some 340B hospitals register smaller facilities and specialty practices (also known as "child sites") in areas with more privately insured patients so that those sites can also qualify for 340B discounts. As the hospital expands their 340B eligibility, they are often reducing services at the original location serving vulnerable communities.



Examples

University of Miami's UHealth system, which participates in 340B, used revenue from their health system to help pay the salary of the University of Miami football coach. [*USA Today*](#)

The Cleveland Clinic has dozens of sites registered for 340B drug discounts located outside its home neighborhood. Almost all are located in areas with higher rates of private insurance and higher household income than the flagship campus. [*Wall Street Journal*](#)

Bon Secours Mercy Health, a large hospital system, bought Richmond Community Hospital, a 340B hospital located in a community that serves vulnerable patients. Bon Secours then registered many child sites of Richmond Community Hospital, and reinvested the 340B savings to expand services at the sites in wealthier areas, while reducing services at the original 340B eligible site. [*New York Times*](#)



Solution

ASAP 340B's Policy Principles would ensure that hospitals are held to the same standard as federal grantees that are required to provide affordable and accessible health care to vulnerable patients. With more built-in transparency in the 340B program, all covered entities will have to report on how they use their 340B savings and the communities they serve.

ASAP 340B's Policy Principles would create statutory requirements to ensure the entire hospital system is held to the same 340B requirements and reinvesting 340B savings back into programs like charity care to increase access for underserved communities.

ASAP 340B's 10 Policy Principles would solve the problems that prevent the 340B program from benefiting true safety-net providers and the patients they serve. [Learn about](#) how we are working together to save 340B as soon as possible.