FACT
A condition of Pharma gaining access to the $33.4 billion Medicaid drug market is that they agree participate in the 340B program. As long as pharma wants access to that $33.4 billion market, they will participate in the 340B program, which will continue well into the future.

MYTH: The continuing growth in the 340B program is not sustainable.

FACT
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MYTH: 340B is incentivizing industry consolidation, driving up prices.

FACT
While the health care industry is consolidating, it is consolidating everywhere, even in places without 340B (think the merger of CVS and Aetna). While pharma likes to use hospital purchases of oncology practices as its prime example, hospital/oncology acquisitions with 340B are occurring at the same rate as hospital/oncology practices without 340B:

MYTH: 340B has experienced out of control, exponential expansion.

FACT
Congress intentionally expanded the program, with the full knowledge and tacit approval of the drug industry. In 2010, as part of the Affordable Care Act, Congress increased the number and types of nonprofit hospitals that can participate. The growth in the 340B program was intended, and was completely expected.

The drug companies actively pushed for ACA because they knew that, between Medicaid expansion and the individual mandate, they would have a payer source for their drugs for tens of millions of new people. They have made out like bandits:

Since 2010, Medicaid drug sales have now increased by $13 billion per year
Since 2010, total drug company sales have now increased by over $85 billion per year

By contrast, 340B discounts have grown by a much more modest amount. While total 340B sales have increased, the discounts offered on those 340B drugs (i.e., the amount that Covered Entities would have paid in the absence of the 340B Program) was far less than pharma asserts. In 2015, the total discounts for 340B drugs increased by only $2 billion from 2010.

Largely due to ACA, pharma gets an extra $85 billion per year, and gives up very little. And now they want to renge on that!

For more information visit: Let340B.org

1. 42 U.S.C. Section 256b
3. See 42 U.S.C., 256b(a)(O)