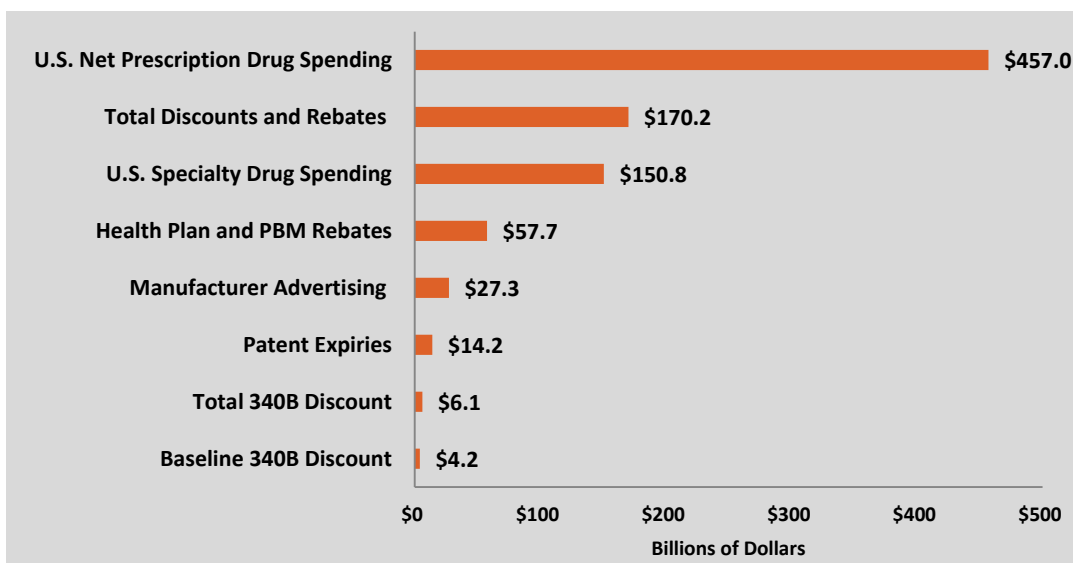


340B is a Small Share of the Drug Market and Does Not Increase Drug Prices

New data show drug manufacturers provided \$6.1 billion in total drug discounts in 2015 under the 340B Program. The 340B discount is just **1% of the total U.S. drug market** and is dwarfed by other segments of the drug industry.

340B does not increase drug prices. **340B reduces costs for safety net providers, allowing them to provide affordable drugs and services to low-income patients.**

The 340B Program and the U.S. Drug Market, 2015



Compared to other segments of the market, the total 340B discount is:

- 1% of total U.S. drug spending
- 3.6% of all discounts and rebates offered by manufacturers
- 4% of the specialty drug spending
- 89% less than the rebates manufacturers provide to health plans and PBMs
- 78% less than what manufacturers spend on advertising
- 57% less than what brand-name manufacturers have lost from patent expirations

Nearly one third of the total 340B discount is due a penalty enforced against drug manufacturers for raising the price of drugs higher than the rate of inflation or voluntarily providing a discount lower than the 340B price. Manufacturers could avoid this penalty by not increasing their drug prices at such high rates.

Total 340B Discount, \$6.1 Billion



The full analysis by Dobson DaVanzo is available here: http://www.340bhealth.org/files/340B_Financial_Impact_7_17.pdf