



340B Contract Pharmacies Help Hospitals Serve Low-Income and Rural Patients

To better understand how contract pharmacies help hospitals serve their low-income and rural patients, 340B Health administered a survey to its membership in June 2017. **Hospitals unanimously reported that a loss of or reduction in their contract pharmacy benefit would impair their ability to serve low-income and rural patients.**

Disproportionate share (DSH) hospitals reported using their contract pharmacy benefit to support uncompensated care and provide services to low-income patients.

- 89% reported maintaining or providing more uncompensated care
- 74% reported providing services despite low Medicaid reimbursement
- 71% reported providing free or discounted drugs to low-income and rural patients

Rural hospitals reported using their benefit to support access to care in remote areas.

- 87% reported maintaining operations and keeping their doors open
- 65% reported not having their own outpatient pharmacy, which would cause them to more heavily rely on contract pharmacies to access a 340B benefit
- 60% reported relying on contract pharmacies for over half of their overall 340B benefit

Survey respondents reported using their contract pharmacy benefit to:

- Fund hospital charity care and uncompensated care
- Provide services to Medicaid patients
- Provide clinical services and education for transplant and HepC patients
- Provide medications to homeless patients through the hospital's pharmacy
- Provide oncology care to the community, regardless of ability to pay
- Maintain a sliding scale copayment program for un- and under-insured patients and maintain a free meds program for certain uninsured patients
- Operate a financial assistance program that gave away over \$855,000 worth of medicines to indigent patients between April 1, 2016 and March 31, 2017
- Maintain a diabetes clinic and supply indigent and uninsured diabetics with medications for either a \$1.00 or \$3.00 copay per month
- Maintain a mental health clinic that provides services to low-income inner-city patients
- Maintain a retail pharmacy that provides free/discounted medicines to patients being discharged from the acute care hospital

Cuts to 340B contract pharmacies would jeopardize care for low-income and rural patients, resulting in higher drug costs for low-income patients and fewer overall services.

A report analyzing the results of the survey is available at:

http://www.340bhealth.org/files/Contract_Pharmacy_Report_July_17.pdf