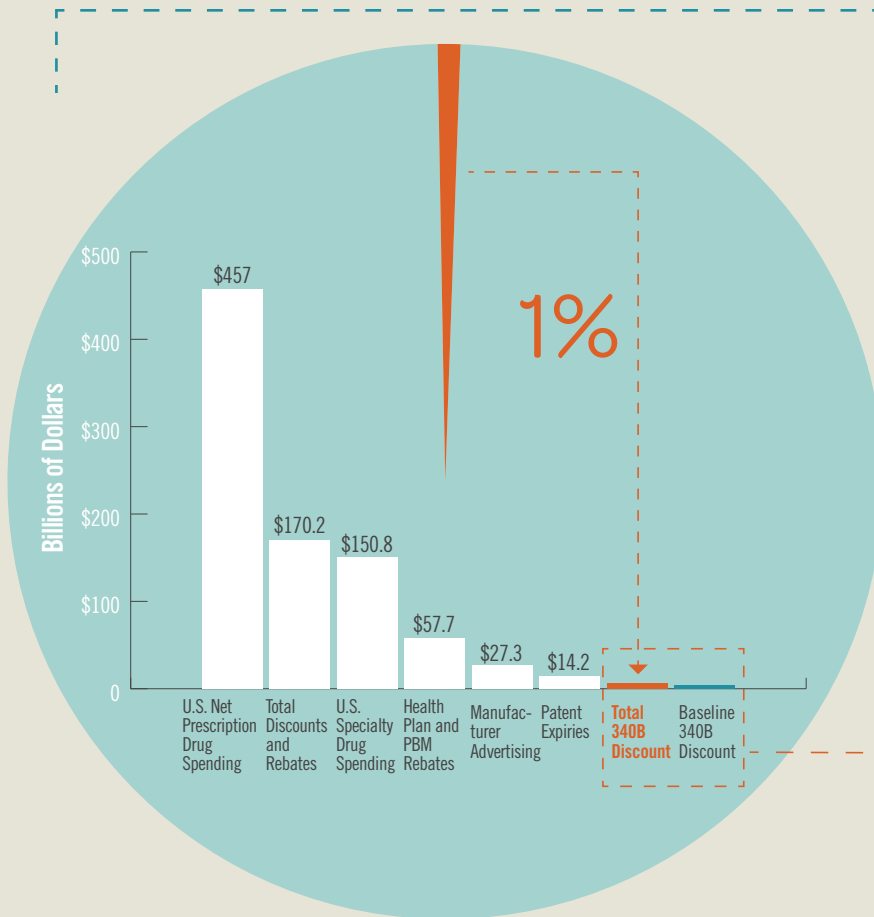


340B Does Not Increase Drug Prices



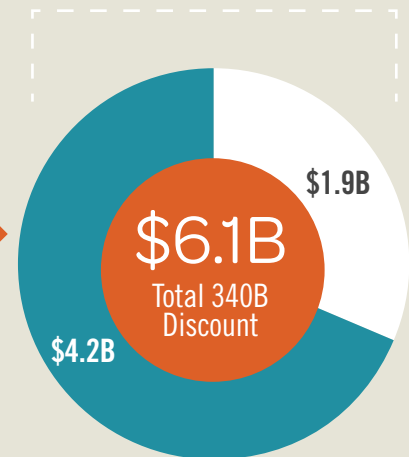
340B **reduces costs** for safety net providers, allowing them to provide affordable drugs and services to their low-income and rural patients.

340B is a Small Sliver of the Drug Market



Drug manufacturers provided **\$6.1 billion** in total drug discounts in 2015 under the 340B Program.

That is just **1%** of the total U.S. drug market and is dwarfed by other segments of the drug industry.



Nearly one third of the total 340B discount is due to 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.

● Baseline 340B discount (\$4.2 billion)
● 340B discount due to inflationary penalty (\$1.9 billion)

Source: Dobson DaVanzo analysis of the financial impact of the 340B program on drug manufacturers, www.340bhealth.org/files/340B_Financial_Impact_7_17.pdf