Press Release

ICYMI: HHS Cuts to 340B Drug Payments Make Sense

ANDREW EVANS | JANUARY 22, 2018

With hospitals suing to block cuts to drug payments, AAF's Deputy Director of Health Care Policy, Tara O'Neill Hayes, explained today in the *Washington Examiner* why these cuts are an important change for the 340B Drug Pricing Program.

An excerpt:

> *Since 2013, sales under the program have grown an average of 31 percent each year, with more than 42,000 entities participating in 2017.... The Medicare Payment Advisory Commission found that hospitals receive a discount through the program of at least 22.5 percent, none of which is passed on to Medicare. In fact, the discounts that eligible hospitals obtain through 340B are so high, some experts believe they are at least partially responsible for increasing pharmaceutical list prices. Further, as hospitals grow to take advantage of the program, they gain more power over prices, driving up the cost for all services.*

Click here to read the full op-ed in the *Washington Examiner*.

Read a primer on the 340B Drug Pricing Program here.

Read an explainer on the rule implementing the cuts here.

Read research on the ways the 340B Program distorts the health-care market here.