

Press Release



Does the 340B Drug Pricing Program Encourage High-Cost Prescriptions? A Case Study of Preventative HIV Treatments

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In a new insight, Director of Health Care Policy Laura Hobbs examines whether the 340B Drug Pricing Program (340B Program) incentivizes hospitals and other covered entities to favor higher-cost preexposure prophylaxis (PrEP) antiretroviral prescriptions used to treat HIV over lower-cost generics, thereby unnecessarily raising costs.

Hobbs concludes:

Congressional action on the 340B Program would be necessary to ensure that perverse incentives to favor higher-cost drugs are not undermining broader U.S. public health initiatives. When the program's covered entities have a substantial incentive to avoid otherwise appropriate generics, particularly in specific drug class circumstances like that of PrEP treatments, payers for HIV treatments and services, such as Medicare, are likely to face unnecessarily inflated costs.

[*Read the analysis*](#)