

340B PROGRAM: URGENT NEED FOR ACCOUNTABILITY AND REFORM IN ONCOLOGY CARE

[The Minnesota Department of Health's 2024 report on the 340B Drug Pricing Program's Covered Entities](#) reveals significant issues that underscore the urgent need for reform. The report highlights the lack of transparency and accountability within the program, which has led to substantial profits for covered entities at the expense of patients.

KEY FINDINGS

- **Revenue Generation:** Minnesota covered entities earned a collective net revenue of at least \$630 million in 2023.
- **Impact on Medicaid:** \$87 million of this net revenue was generated from the state Medicaid and MinnesotaCare program.
- **Transparency Issues:** The report does not include information on how net 340B revenue is used or the extent to which patients benefit from the program.

IMPACTS ON CANCER CARE

Cancer care in the United States is already a significant financial burden for patients and their families. The average cost of initial cancer care exceeds \$43,500, with continued care costing over \$5,500 and end-of-life care surpassing \$109,700. For many patients, these costs force them to choose between basic necessities and life-saving treatments.

THE CONCERN

The findings from the Minnesota report raise several concerns about the current state of the 340B program and its impact on oncology care:

- **Profit Margins:** Contract pharmacies participating in the 340B program generate a 72% profit margin on 340B medicines, compared to a 22% profit margin through independent pharmacies.
- **Patient Costs:** Despite significant profits, patients often pay 150% more for their prescriptions at 340B entities than at non-340B entities.
- **Charity Care:** Only a small percentage of contract pharmacies are located in medically underserved areas, and many 340B hospitals are below the national average for charity care levels.

340B NEEDS ACCOUNTABILITY TO PRIORITIZE VULNERABLE PATIENTS

The current implementation of the 340B program is failing to meet its goals. It is crucial to implement comprehensive reforms to restore the program to its original intent. These reforms should include ensuring that 340B prescriptions are provided to patients at a discount, preventing entities from profiting off the program, and facilitating public reporting on the program's impact.

Legislators should focus on patient-centered reforms that truly benefit all residents, especially those battling cancer. Expanding the 340B program at the state level is premature and will only perpetuate the misuse and abuse of the program. Instead, we must work together to find real solutions that ensure affordable and equitable access to healthcare for all.