Fix 340B: No More Profits on the Backs of Our Communities



Black and Brown communities carry the heaviest burden of health inequity — **and 340B is supposed to help**. But the program is broken, and our communities are paying the price.

A *UC Berkley Public Health* study of nearly 24 million Americans showed Black borrowers consistently carried the highest rate of medical debt sent to collections — nearly double the rate of white borrowers. These are patients being sued by the very hospitals pocketing 340B discounts.

Meanwhile, research published in *JAMA Health Forum* found that as the 340B program grew, the share of 340B pharmacies serving predominantly Black neighborhoods shrank. **The promise of 340B was health equity. What it has delivered is the opposite.**



"Inadvertent loopholes have been utilized, **increasing profit margins for the hospital system while they have reduced services in one of our predominantly Black communities.** It is immoral to benefit off the backs of Black and Brown residents under the guise of healthcare, and it must cease immediately."

— Richmond Mayor Levar Stoney

Savings Intended for Patients Are Lining Pharmacy Chains' Pockets

"The contract pharmacies that were initially intended to improve patient access to discounted medications have seen similar increases [as large health systems] in revenue and use of the program with little to no oversight or accountability. **Yet communities most in need — particularly the communities of color we represent — have not seen commensurate improvements."**

— Rev. Alvin Love, Lilydale First Baptist Church



"340B has good intentions to ensure treatment access and eliminate inequities in care for those in Michigan and beyond. Instead, **the 340B program has become a huge profit driver for corporate pharmacy chains and big hospitals** in Michigan. Walgreens and CVS account for 60% of the contract pharmacies in the program today, and a 2020 report found that the average profit margin on 340B medicines dispensed through contract pharmacies was 72%, compared with just 22% for non-340B medicines."

— Rev. Horace Sheffield, The Detroit Association of Black Organizations



"... **hospitals and pharmacies are free to exploit the program for profit** while leaving patients—especially those in lower-income and marginalized communities— without access to the medications they need. Health equity demands that 340B savings be reinvested into patient care rather than corporate profits."

— Clayola Brown, A. Philip Randolph Institute



"Let's be honest, the 340B program has been commercialized. **Large hospital systems and national pharmacy chains have found ways to profit from it**, often without reinvesting in the patients who need it most."

— Tanya Acker, A. Philip Randolph Institute - Denver





340B Hospital Markups Drive Up Costs for Everyone

LONG ISLAND The African American CHAMBER OF COMMERCE

"Rather than passing along savings from 340B discounts to low-income patients, large hospitals often purchase medicines at discounted rates but charge health plans full price. Many participating healthcare facilities are also located in affluent areas rather than medically underserved urban and rural communities, raising questions about whether the program is operating as intended."

— Phil Andrews, Long Island African American Chamber of Commerce

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"Evidence suggests that 340B hospitals and clinics charge uninsured patients and those with private insurance significantly higher prices for medications than they purchase them for, leading to higher overall healthcare costs."

— Jerry King, A. Philip Randolph Institute - Michigan

BlackDoctor

"The stakes are especially high for Black patients, who are more likely to face barriers to affordable care. Findings from the CBO and the HELP Committee highlight a central concern: **every day that the program continues to operate without oversight, more patients risk both their health and their financial stability."**

— BlackDoctor.org

NATIONAL MINORITY QUALITY FORUM

"Effective healthcare policy must ensure that resources intended for vulnerable populations actually reach those communities in ways that measurably improve their health outcomes and reduce their financial burden. When policies rely on indirect mechanisms that cannot be observed or experienced by their intended beneficiaries, they create a disconnect between policy promises and community reality that undermines both health equity and public trust."

— Dr. Gary Puckrein, National Minority Quality Forum

SCL GLOBAL POLICY INITIATIVE

"Many of the resources dedicated to minority and underserved health equity have been misused and diverted by the healthcare industry. Congress has the opportunity to at least address the 340B program… which would go a long way towards fixing or eliminating policies with discriminatory effects."

— Kevin Kimble, Southern Christian Leadership - Global Policy Initiative

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NAACP Illinois State Conference

"Health equity and accountability are not competing priorities they are complementary principles. Communities that have historically experienced barriers to quality healthcare deserve more than good intentions. **They deserve assurance that programs created on their behalf deliver meaningful and measurable results."**

— Theodis Pace, Illinois State Conference of the NAACP

BLACK WOMEN'S HEALTH IMPERATIVE

"Meaningful 340B reform must be comprehensive and thoroughly address all the program's shortcomings, from transparency and accountability to affordability at the pharmacy counter... Communities of color, rural communities, and others that 340B was intended to serve are well aware of their needs and willing to communicate their experiences within the healthcare system, and it is essential that Congress listen."

— Black Women's Health Imperative



340B isn't working for patients — in fact, it's raising health care costs for everyone. We oppose any expansion of 340B until Congress fixes it and ensures every 340B dollar reaches the minoritized communities it was always meant to serve.

Learn more at apri.org

A. Philip Randolph Institute