

JAMA Study Examines Whether 340B Drug Discount Program Genuinely Serves Vulnerable Communities

A new [study](#) from the Journal of the American Medical Association (JAMA) finds that while contract pharmacies participating in the 340B Drug Discount Program dramatically expanded more than 4,000% between 2011-2019, their presence in the low-income communities they are intended to serve has decreased.

BACKGROUND

Section 340B of the Public Health Service Act requires pharmaceutical manufacturers participating in Medicaid to sell outpatient drugs at discounted prices to health care organizations that care for many uninsured and low-income patients.

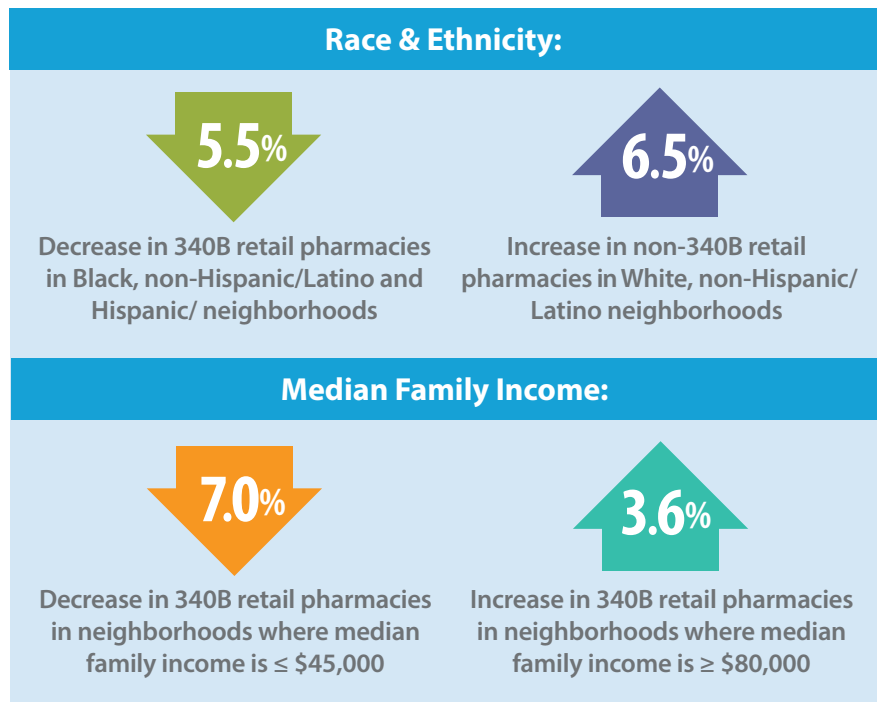
The original intent of the program allows 340B hospitals to stretch limited federal resources to reduce the price of outpatient pharmaceuticals and expand health services to the patients and communities they serve.

However, the JAMA report suggests some health care organizations and contracted pharmacies exploit the drug discounts to generate profits instead of either investing in programs for the poor or passing the discounts along to patients and insurers.

91,740 US pharmacies were assessed from 2006 to 2019:

“Although the growth in 340B retail pharmacy participation was more concentrated in the most affluent zip codes, the share of 340B pharmacies in the most socioeconomically disadvantaged zip codes declined. This contrasts with non-340B retail pharmacies which saw relatively little change in this same period.”

— JAMA Report



JAMA REPORT CONCLUSION:

340B contract pharmacy growth was concentrated in affluent and predominantly White neighborhoods, whereas the share of 340B pharmacies in socioeconomically disadvantaged and primarily non-Hispanic Black and Hispanic/Latino neighborhoods declined.

Despite its best intentions to improve the affordability of prescription drugs and expanded healthcare services in low-income neighborhoods, the JAMA report confirms the 340B drug discount program is having the opposite outcome resulting in increased disparities among disadvantaged communities.