

H.R.5256 340B ACCESS Act: A Major Step to Prevent Medicine Markups

Big, tax-exempt hospitals and clinics are abusing a federal program known as the 340B Program to charge major markups on medicines to boost their profits at patients' expense. Once a targeted program for hospitals serving low-income patients, the 340B markup program has now ballooned into the second-largest federal drug program, generating nearly \$65 billion in profits for hospitals, clinics and their for-profit partners with little to no government oversight and no requirement that patients benefit.

Thankfully, Federal lawmakers and government officials are beginning to take note of this massive markup scheme:

- A recent U.S. Senate Health Education Labor and Pensions Committee investigative [report](#) found that 340B entities abuse the program and its lack of transparency to generate revenue.
- The non-partisan Congressional Budget Office (CBO) released a [report](#) confirming what Americans already know – the 340B markup program costs taxpayers – and found no evidence patients benefit.



Federal Reform: The 340B Access Act

The recent reintroduction of the 340B ACCESS Act is a major milestone in federal efforts to reform the 340B markup program. The bill:

- Establishes patient affordability requirements, ensuring hospitals' savings are passed on to patients
- Codifies the definition of an eligible 340B patient, preventing hospitals from abusing the current overly broad guidance to exploit the program
- Strengthens hospital eligibility requirements, preventing rich, urban hospitals from gaming the system over true safety-net providers
- Brings much-needed transparency to the 340B program
- Establishes hospital child site requirements so that only those sites that can prove they serve low-income and vulnerable patients can participate in the 340B program
- Places restrictions on the middlemen that raise prescription drug costs across the entire health care market

Abuses of a federal program require federal solutions. The 340B ACCESS Act is a bold step toward stopping hospitals, clinics and their for-profit partners from exploiting the program at the expense of patients across the country.