

Summary of Major Points of Testimony  
Dr. William Smith

- The 340B program impacts more than drug companies and hospitals. There are a number of stakeholders in the healthcare system that are sometimes adversely impacted by the program.
- Some uninsured and underinsured patients do not receive access to the 340B discounts and end up paying significant sums out-of-pocket; taxpayers are impacted when Medicare over-reimburses for 340B drugs; community-based physician practices sometimes face consolidation when they cannot compete with the prices that hospitals can access; as with Medicare, employers and commercial insurers do not have access to 340B prices and sometimes overpay for 340B drugs.
- This is an important program, so for now it should remain intact. However, as a first step toward reform, much more transparency is needed, especially about how much revenue individual hospitals receive through the program and how they spend those funds.
- Pioneer Institute has tried to create more transparency about the program and has put a web tool on our website whereby users can access lots of important data about the 340B program.
- Finally, there are misaligned incentives in the program that steer some hospitals toward treating wealthier patients with better insurance.