

Memorial Community Hospital and Health System has signed on with the 340B Good Stewardship Program. During a time of increasing drug prices, the 340B drug pricing program is helping to ensure access to care for vulnerable patients and communities across the nation.

For more than 25 years, 340B has been critical in helping hospitals expand access to comprehensive health services, including lifesaving prescription drugs. The program enables participating hospitals that care for their communities, including many low-income and uninsured patients to purchase certain outpatient drugs at discounted prices. The savings from these discounts allow hospitals to provide an expanded range of health services to these vulnerable patients and communities. Examples of the health services 340B can make possible include clinical pharmacy services that promote health, wellness, and disease prevention for patients, community outreach programs, free vaccines, cancer treatment, preventive care and transportation to follow-up appointments, to name just a few. The bottom line is that hospitals use 340B savings to provide services and programs that respond to the unique needs of their communities.

An analysis released earlier this year by the AHA (American Hospital Association) showed that 340B hospitals provided more than \$56 billion in total benefits to their communities in 2016 alone. In total, 340B discounts account for less than 2% of drug companies' annual sales and the program is paid for with drug discounts not tax dollars. However, this hasn't stopped opponents of the program – chief among them are the big drug companies – from attacking 340B and trying to roll it back in order to pocket more profits. And yet, time and again, hospitals have been able to demonstrate that the 340B program is working as Congress intended, which according to a congressional report is “to stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.” However, many policymakers and other stakeholders have suggested that more could be done to communicate the vital work this program supports and why it is so important to patients and communities across the nation.

Memorial Community Hospital and Health System agrees and we are committed to doing our part to share the good work 340B supports. That is why our organization has made a commitment to the AHA-led initiative; “the 340B good stewardship principles.” These principles will strengthen the 340B program while demonstrating the many ways in which vulnerable communities benefit from this program. 340B hospitals will do this by increasing transparency and improve communication to the public the immense value of the program for their patients and communities.

According to Patty Smith, Pharmacist at Memorial Community Hospital and Health System, “The 340B program has provided a significant financial savings for MCHHS. Although the majority of savings from the 340B program come through the pharmacy department, the savings from the program benefit the entire MCH organization and the services we are able to provide. One benefit includes the ability to provide patient assistance programs to many patients, who may not have adequate insurance or high deductible plans, and cannot otherwise afford general healthcare or lifesaving

treatments. The savings have allowed MCH to expand services, especially our chemotherapy services. The addition of a new state of the art clean room in our hospital pharmacy for sterile compounding of IV medications and chemotherapy was key in expanding our oncology and infusion program. Dr Timothy Dorius, oncologist, has proven to be a great asset in our community by supporting chemotherapy treatments close to home. Receiving chemotherapy and other infusions is priceless for many local patients who don't feel good and want to avoid traveling to receive their treatments, or to save time when they are receiving treatments during work hours.”

Smith went on to say “Outpatient services seems to be where the healthcare industry is headed, so being able to provide more outpatient services in our rural community is extremely valuable to keep our hospital and clinic services sustainable in the future. For our community, the 340B program is crucial to make healthcare affordable for smaller rural hospitals to be able to continue these services.”

The good stewardship principles require the hospitals to take several actions. First is communicating the value of the 340B program. Hospitals should publish a narrative on an annual basis that describes how they use 340B savings to benefit their community. This includes listing the services that the hospital could not continue to provide without 340B savings. Next, hospitals must disclose 340B estimated saving by publicly disclosing on an annual basis their 340B estimated savings calculated in a standardized way. And finally, hospitals should continue to conduct internal reviews to ensure that their hospital 340B program meets HRSA rules and guidance. Included in this effort is a commitment to regular training for hospitals' 340B teams.

In addition to the AHA, these principles have been endorsed by America's Essential Hospitals, the Association of American Medical Colleges, the Catholic Health Association of the United States, the Children's Hospital Association and 340B Health.