

Spending in the 340B Drug Pricing Program, 2010 to 2021

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Rebecca Sachs and Joshua Varcie
Health Analysis Division

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For more information about the conference, see ashecon.org.

Overview

In the 340B Drug Pricing Program (340B), drug manufacturers sell drugs at discounted prices to participating hospitals and federal grantees. 340B facilities benefit from the program because the difference between the acquisition cost and the amount they are paid (often called the “spread”) is larger for drugs acquired through the 340B program.

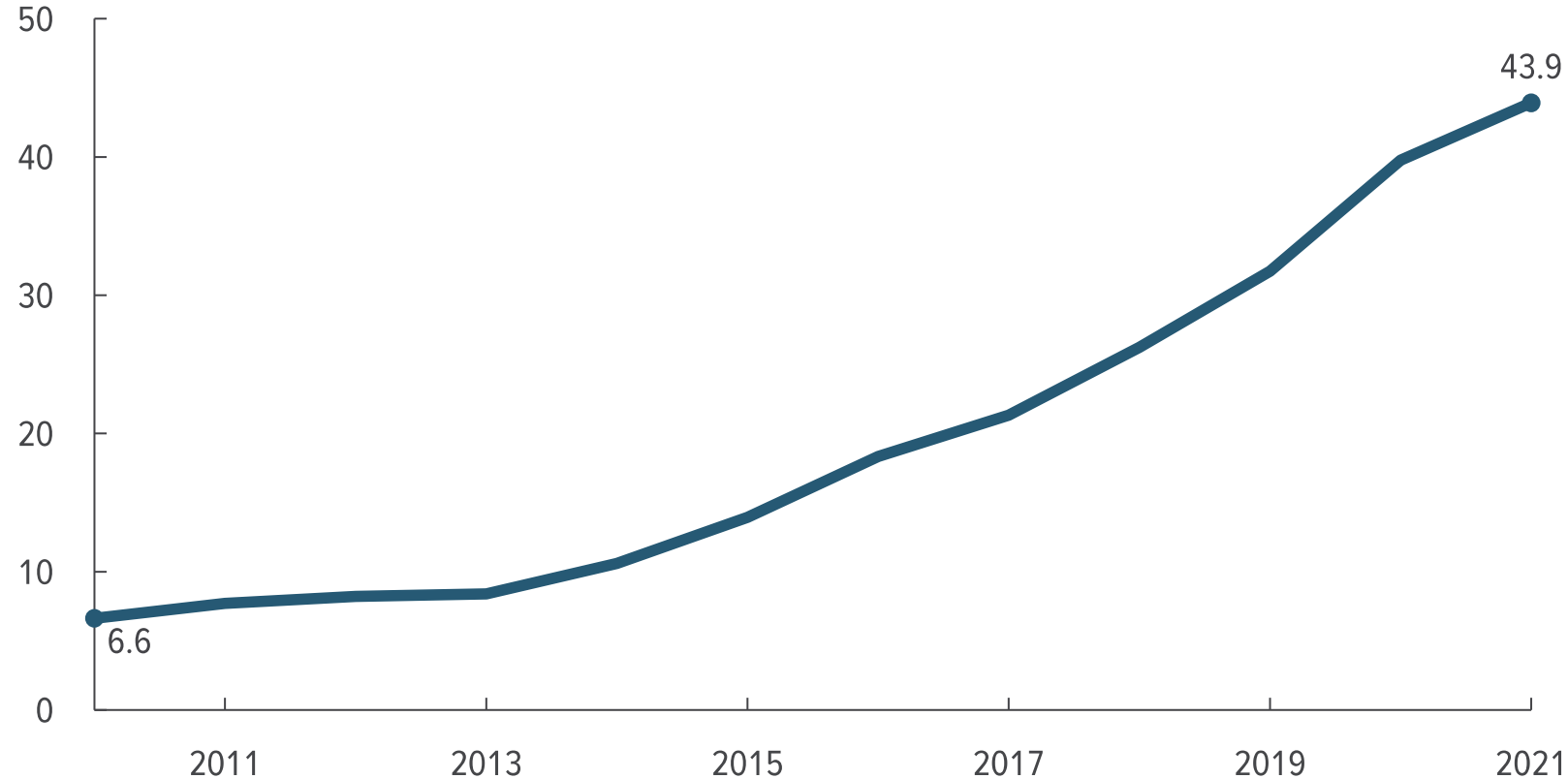
The Congressional Budget Office obtained data from the Health Resources and Service Administration (HRSA) to measure spending in the 340B Drug Pricing Program from 2010 to 2021 and look at factors associated with changes in spending over time.

Those data measure spending in the 340B program by National Drug Code, by the type of facility where drugs were prescribed, and by whether drugs were distributed through a contract pharmacy.



Spending in the 340B Program, 2010 to 2021

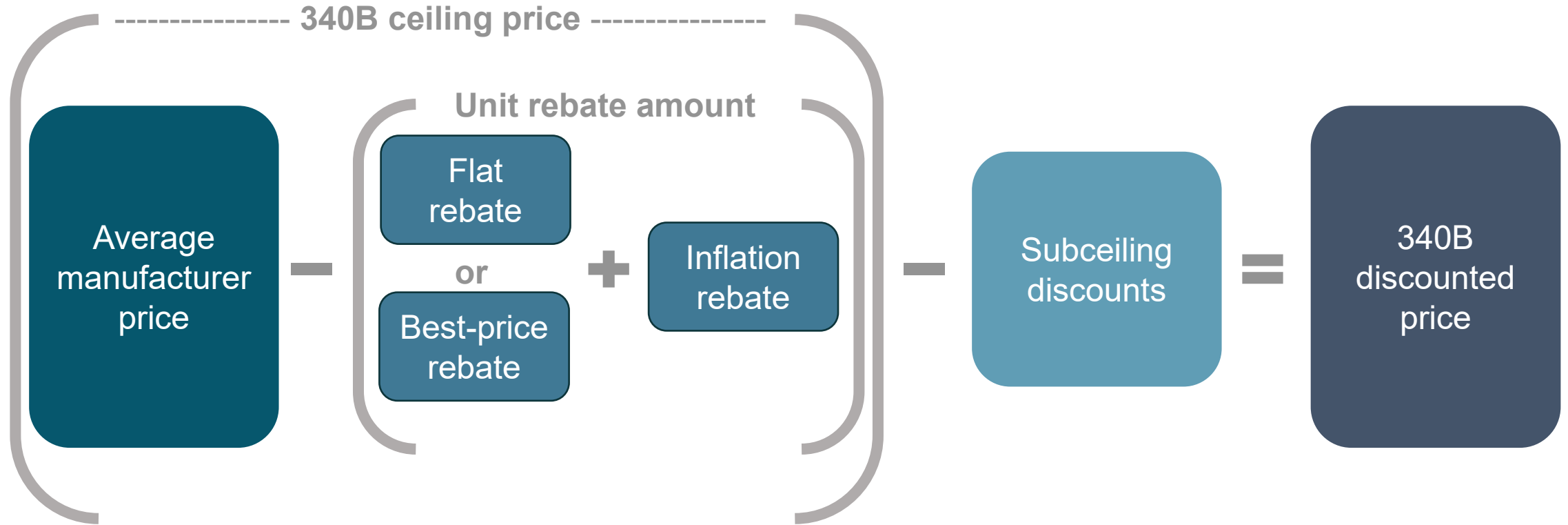
Billions of 2021 dollars



From 2010 to 2021, 340B spending grew 19 percent annually.

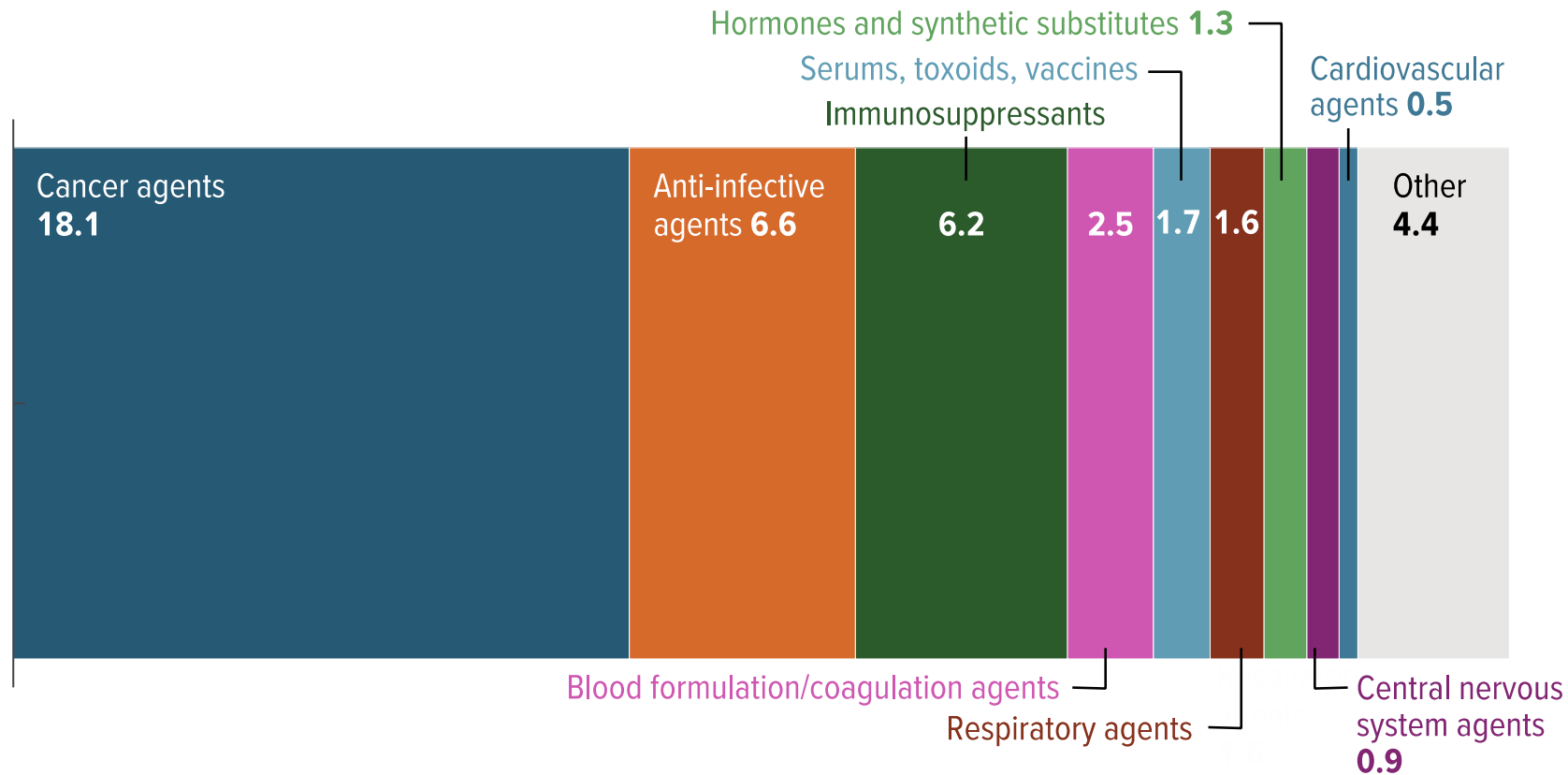
340B spending represents the total dollar value of purchases of drugs at the discounted 340B price across all facilities participating in the 340B Prime Vendor Program.

Determining Discounted Prices in the 340B Program



340B Spending, by Drug Class, 2021

Billions of dollars

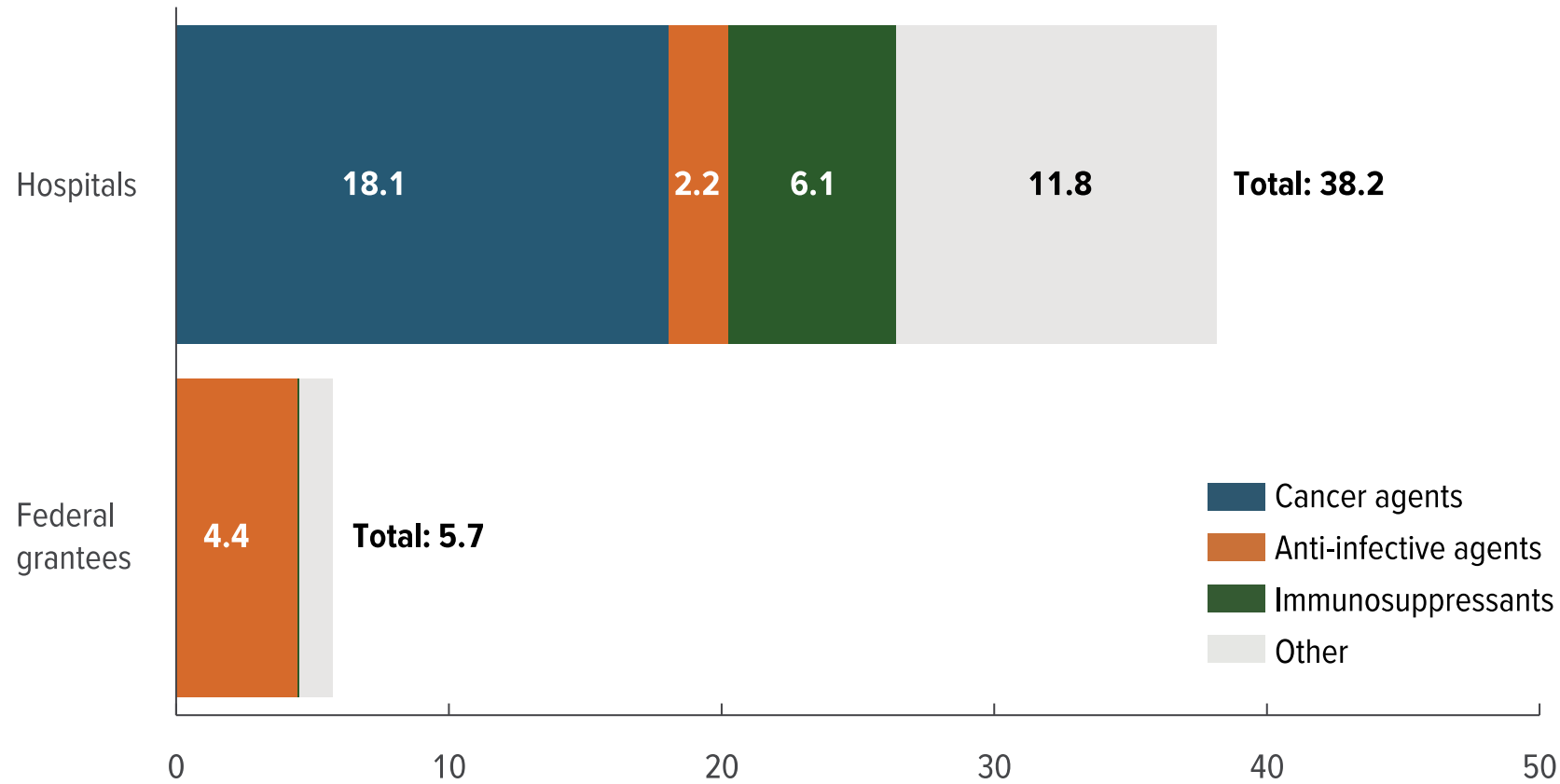


Spending on cancer drugs, anti-infective agents, and immunosuppressants comprised 70 percent of total 340B spending in 2021, up from 58 percent in 2010.

Only six other classes of drugs accounted for more than 0.5 percent of 340B spending in 2021.

340B Spending, by Facility Type and Drug Class, 2021

Billions of dollars

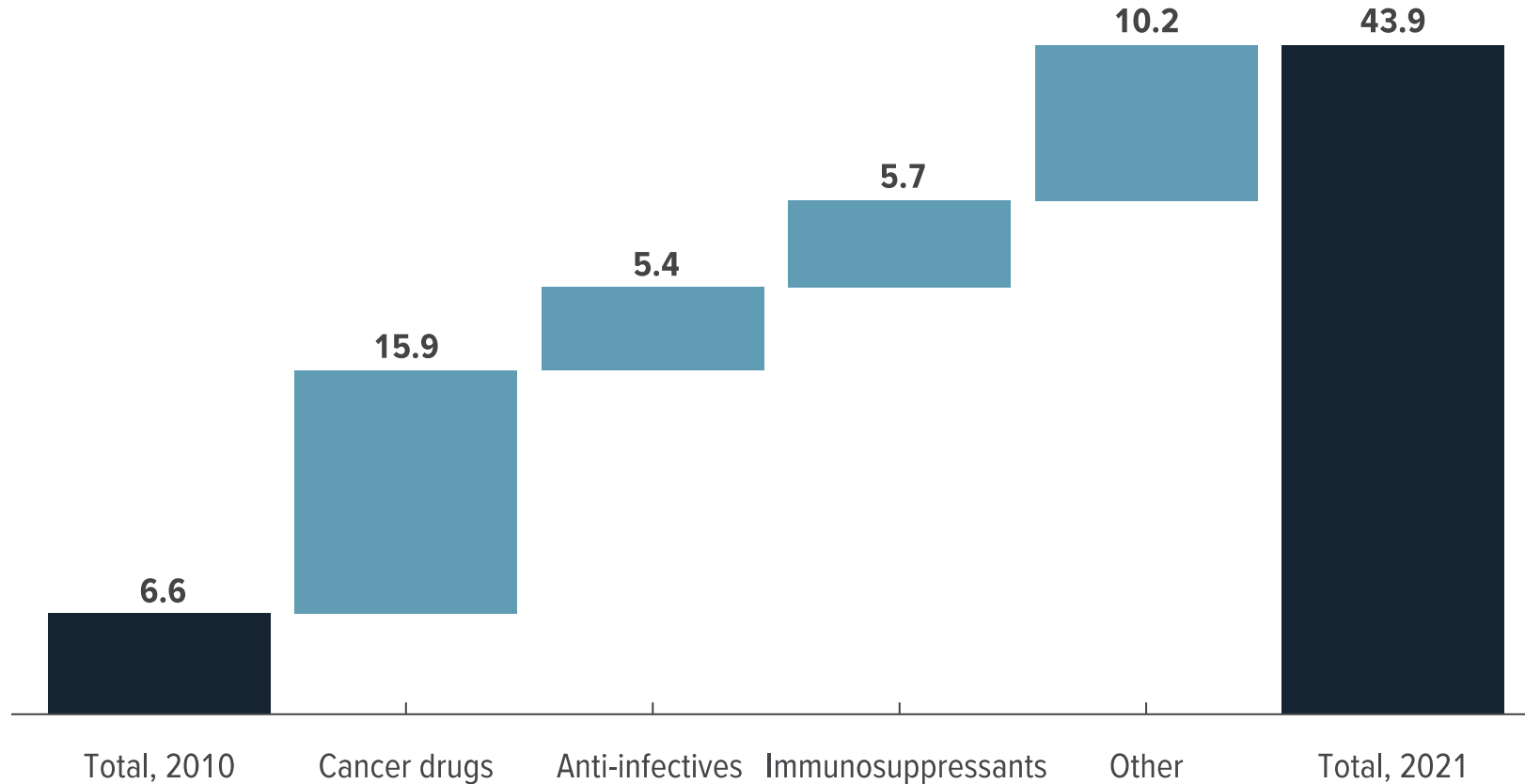


In 2021, 47 percent of 340B spending at hospital-based facilities was on cancer agents.

By contrast, 77 percent of 340B spending at federal grantees was on anti-infective agents.

Growth in Spending, by Drug Class, 2010 to 2021

Billions of dollars

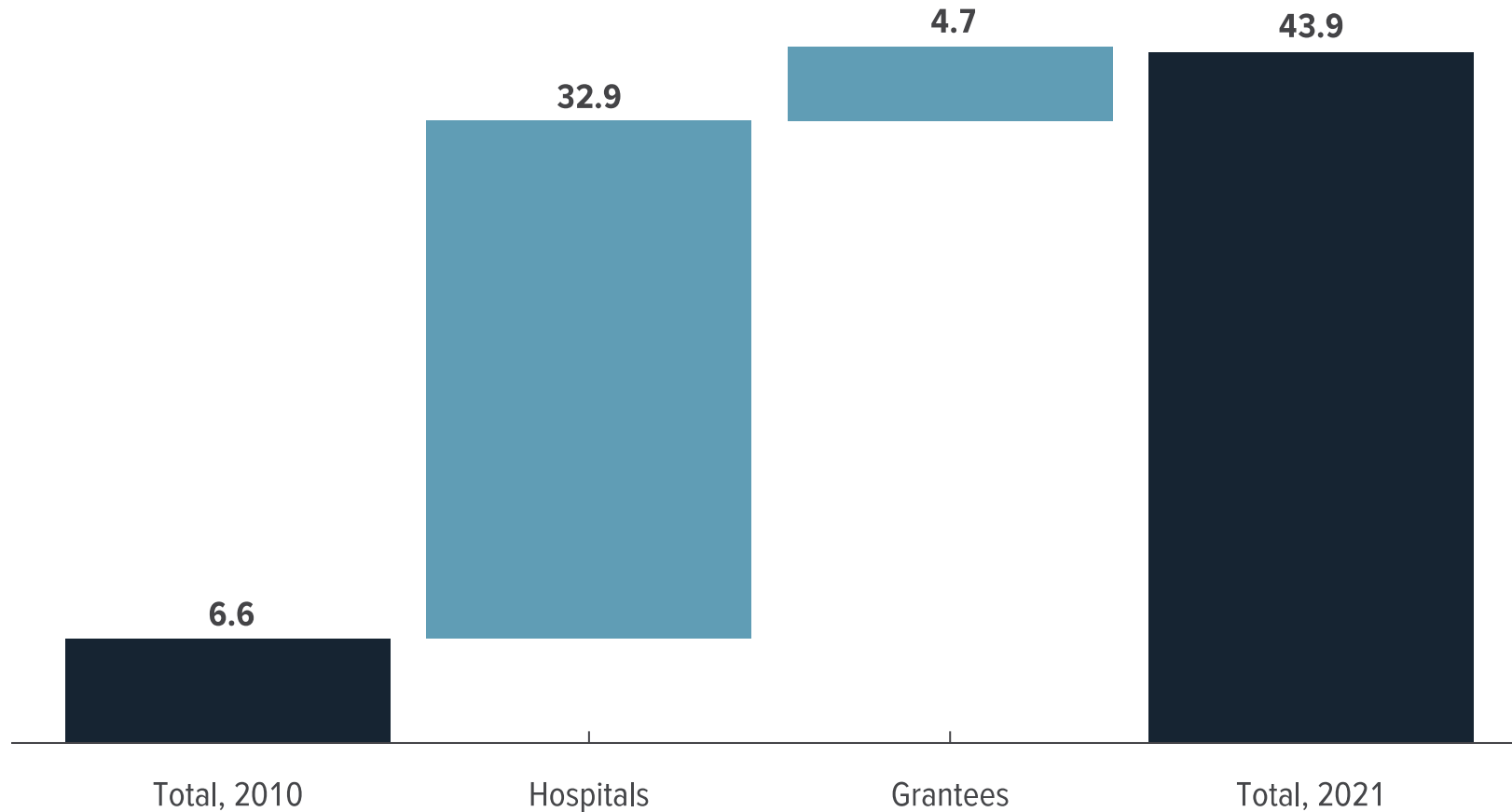


Seventy-three percent of the growth in 340B spending from 2010 to 2021 can be attributed to spending on cancer drugs, anti-infectives, and immunosuppressants.



Growth in Spending, by Facility Type, 2010 to 2021

Billions of dollars

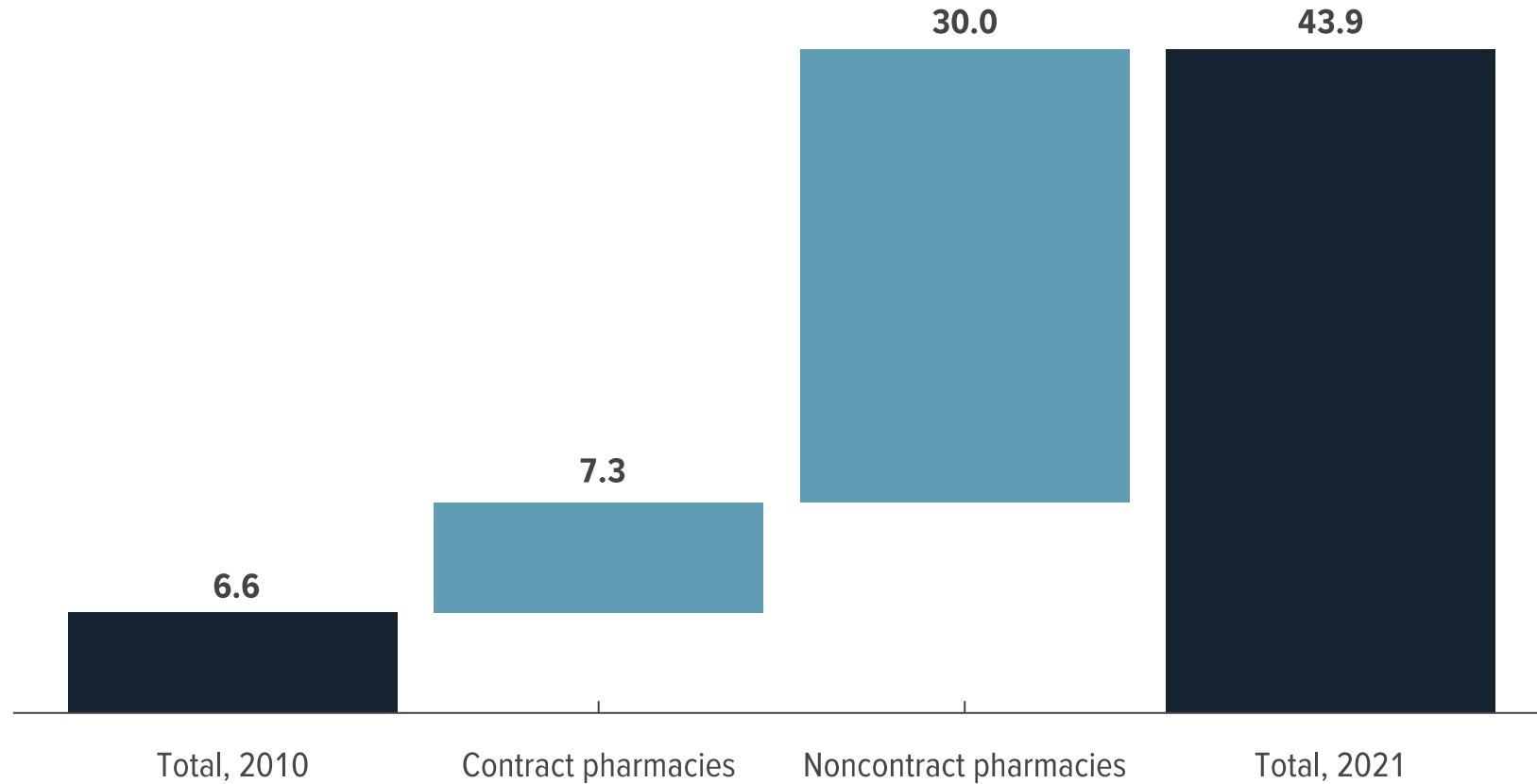


Eighty-eight percent of the growth in 340B spending from 2010 to 2021 can be attributed to spending on drugs prescribed by hospitals and their affiliated off-site clinics.



Growth in Spending, by Contract Pharmacy Status, 2010 to 2021

Billions of dollars



Twenty percent of the growth in 340B spending from 2010 to 2021 can be attributed to spending on drugs dispensed at contract pharmacies.

Factors Contributing to Growth in Spending

Analysis using data from SSR Health shows that only a portion of the growth in 340B spending can be explained by marketwide trends or by disproportionate growth in spending on classes of drugs that have greater representation in the 340B program.

Other factors that probably contributed to the growth in spending include:

- Integration of hospitals and clinics,
- Expanded facility participation due to the Affordable Care Act, and
- Expanded use of off-site (“contract”) pharmacies.

Underlying Spending Data, by Drug Class, 2010 and 2021

Billions of 2021 dollars

Facility type	Drug class	2010 340B spending	2021 340B spending
Hospitals	Cancer drugs	2.0	18.1
	Anti-infective agents	0.5	2.2
	Immunosuppressants	0.5	6.1
	Other	2.3	11.8
Federal grantees	Cancer drugs	0.1	0.0
	Anti-infective agents	0.6	4.4
	Immunosuppressants	0.0	0.1
	Other	0.3	1.2
Unattributed in data	Cancer drugs	0.1	0.0
	Anti-infective agents	0.1	0.0
	Immunosuppressants	0.0	0.0
	Other	0.1	0.0
Contract pharmacy status	Drug class	2010 340B spending	2021 340B spending
Contract pharmacies	Cancer drugs	0.0	1.3
	Anti-infective agents	0.2	2.5
	Immunosuppressants	0.0	1.4
	Other	0.1	2.4
Noncontract pharmacies	Cancer drugs	2.1	16.8
	Anti-infective agents	1.0	4.1
	Immunosuppressants	0.5	4.8
	Other	2.7	10.6