



The Patient Protection and Affordable Care Act

More Affordable Medicines for Children and Underserved Communities

The Patient Protection and Affordable Care Act will expand a prescription drug discount program so that more patients will have access to lower-cost medications.

Expand and Improve Prescription Drug Discount Program

- ✓ Section 340B of the Public Health Service Act enables safety-net hospitals and other providers that serve a large volume of low-income and uninsured patients to access significant discounts on pharmaceuticals.
- ✓ The discounts provided under the 340B program make an enormous difference in allowing these health care providers to serve low income populations.
- ✓ The Patient Protection and Affordable Care Act will improve the 340B drug discount program by broadening its scope to include children's hospitals, free-standing cancer hospitals and several kinds of rural hospitals, so that patients in these settings can have access to lower-cost medications.
- ✓ The Patient Protection and Affordable Care Act also makes improvements in the integrity and financial oversight of the 340B program.

Expand Participation

- ✓ Discounts under the 340B program currently are mandated only in an outpatient setting. While pharmaceutical companies may offer these discounts in the inpatient setting, there have been very few instances of such inpatient discounts being offered.
- ✓ The Patient Protection and Affordable Care Act will expand the drug discount program to allow participation by free-standing children's hospitals, rural referral centers, free-standing cancer hospitals, sole community hospitals with a disproportionate share hospital percentage greater than eight percent, and all critical access hospitals.
- ✓ The Patient Protection and Affordable Care Act will also expand the program to include a drug used in connection with an inpatient service by enrolled hospitals; allow enrolled hospitals to obtain inpatient drugs through a group purchasing agreement or the 340B Prime Vendor Program; and require hospitals enrolled in the 340B drug discount program to provide to each State a credit on the estimated annual costs of covered drugs provided to Medicaid recipients for inpatient use.

Improve 340B Program Integrity

- ✓ The Patient Protection and Affordable Care Act will improve 340B Program integrity by: increasing compliance by manufacturers and covered entities with program requirements; establishing an administrative process for resolving claims of violations of such requirements; and providing clarifications about the ceiling price used to sell to 340B participants.

Government Accountability Office Study

- ✓ Within 18 months, the GAO will make recommendations to Congress on improvements to the 340B program.