

The 340B Program's Financial Burden on Oregon Employers

The 340B program was created over 30 years ago to aid vulnerable communities. Today, corporate health systems exploit the program to raise profits rather than improve patient access and affordability. The 340B program allows corporate health systems to:

- Buy drugs at significant discounts then mark them up excessively without passing savings to working families or their health plans.
- Acquire independent outpatient physician offices and classify them as 340B sites, which fuel hospital consolidation.¹
- Use contract pharmacy arrangements that boost PBM's profits.

340B costs Oregon employers millions.

- **Lost Rebates:** Oregon companies and working families **lose out on \$131 million annually** in rebates on drugs purchased through the 340B channel, amounting to \$67 per enrollee. This includes \$20M for state/local government plans.²
- **More, Higher-cost Medicines:** The cost of medicines per prescription is **150% higher at 340B hospitals** than at non-340B hospitals; 340B hospitals also **prescribe 10% more medicines** than non-340 hospitals³
- **Markups on Medicines:** A study conducted by the North Carolina state treasurer found that hospitals billed the state employee health plan **an average 5.4x markup over their 340B acquisition cost for oncology drugs**⁴

Proposed legislation would further raise healthcare costs.

HB 2385 & SB 533 would **cost Oregon health plans an additional \$35 million dollars a year** in lost rebates, or \$18 per beneficiary.

Instead, comprehensive 340B reforms are needed to:

- **Promote transparency & accountability** in the program, as other states have.⁵
- **Provide affordability protections** for patients and employers.
- Ensure the program is **helping the vulnerable patients** it was meant to serve.

¹ <https://www.nejm.org/doi/full/10.1056/NEJMsa1706475>

² <https://www.iqvia.com/-/media/iqvia/pdfs/us/white-paper/2025/iqvia-cost-of-340b-to-states-whitepaper-2025.pdf>

³ <https://www.milliman.com/en/insight/2020-outpatient-drug-spend-at-340b-hospitals>

⁴ <https://www.nctreasurer.com/news/press-releases/2024/05/08/state-treasurer-folwell-releases-report-finding-north-carolina-340b-hospitals-overcharged-state>

⁵ <https://www.health.state.mn.us/data/340b/docs/2024report.pdf>