Kentucky Senate Bill 27

Senate Health Services Committee

January 31, 2024

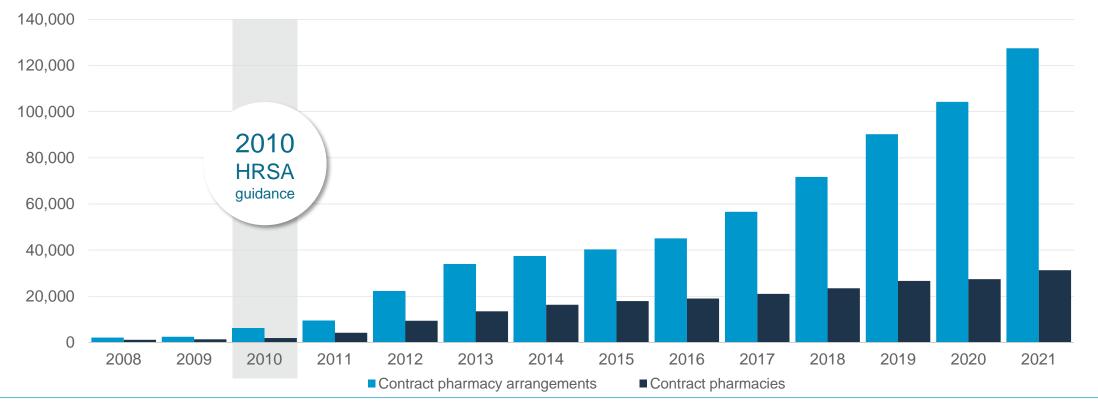




340B Contract Pharmacy Participation Has Increased Dramatically

The number of contract pharmacy arrangements has grown by more than 5,000% since the 2010 guidance. Currently, more than 30,000 distinct pharmacies participate in the 340B program, and each one may have arrangements with multiple entities.

340B Hospital Contract Pharmacies and Pharmacy Arrangements*



^{*}A contract pharmacy may have multiple contracts with multiple 340B hospitals.

^{1.} BRG analysis of HRSA OPA registrations. https://340bopais.hrsa.gov/ContractPharmacySearch

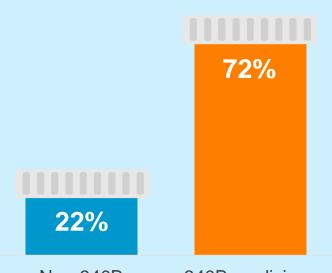
Contract Pharmacies Have Growing Financial Stake in 340B

There is no clear evidence 340B discounts are helping patients access medicines

Massive Profit Margins

Concentrated Corporate Profits

PBM-Owned PharmaciesWield Negotiating Power



Non-340B 340B medicines medicines dispensed through dispensed through contract pharmacies independent pharmacies > 50%







More than half of 340B profits retained by contract pharmacies are concentrated in four pharmacy companies



40% of arrangements are between 340B entities and pharmacies associated with one of the three largest PBMs

