

CRITICAL CONDITION



Big Drug Companies' Refusal to Follow the Law Represents Growing Threat to Kentucky's Health Care Safety Net

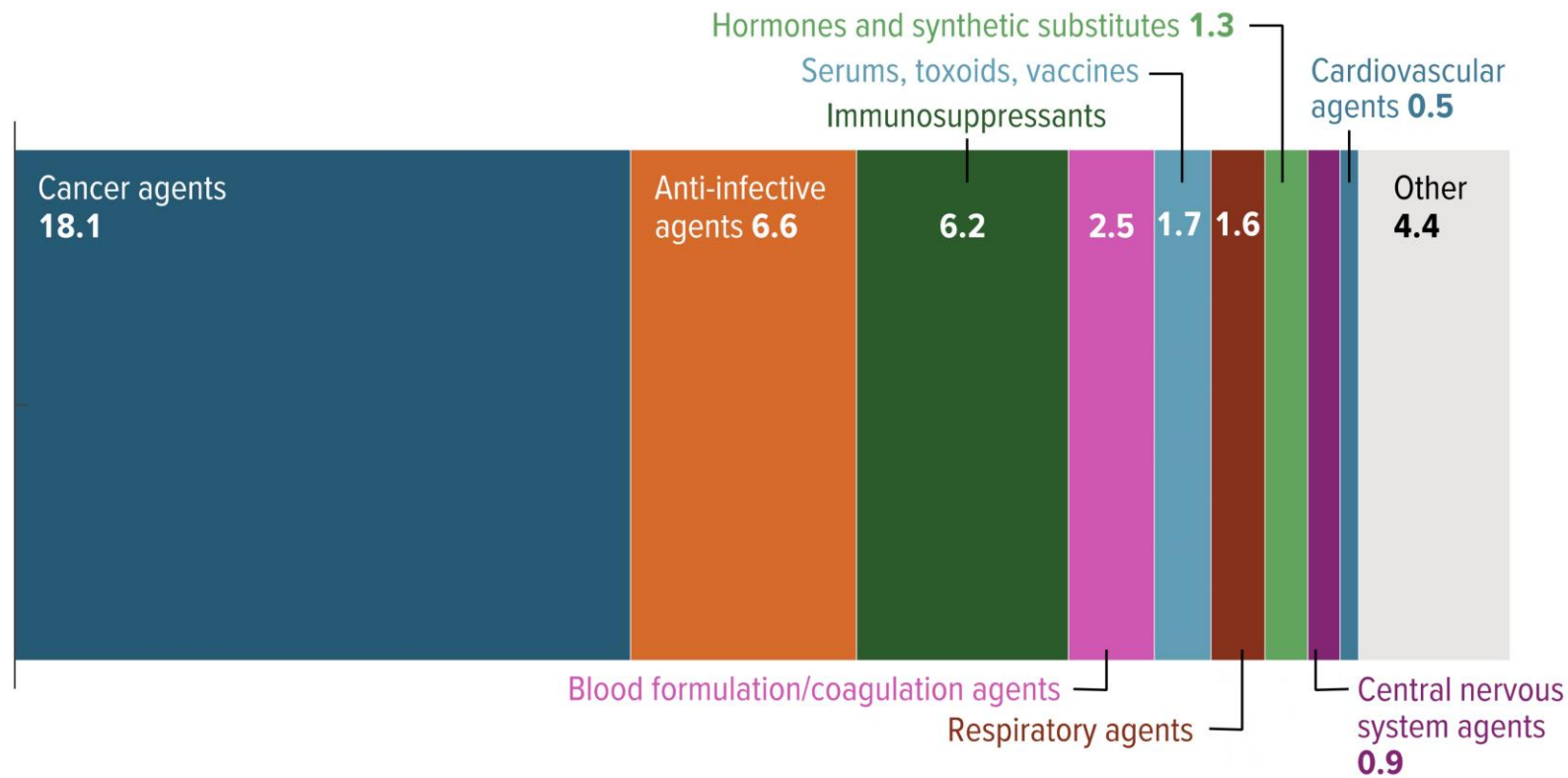
Protect Critical Health Care Access

340B Drug Program:

- Created by Congress to stretch scarce resources and support access to care
- Program is paid for by drug companies NOT federal or state taxes
- Requires pharmaceutical companies to sell the drugs to covered hospitals and their contract pharmacies at their best price, **not given for free**
- Drug companies agreed to the program and its expansion to contract pharmacies

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.

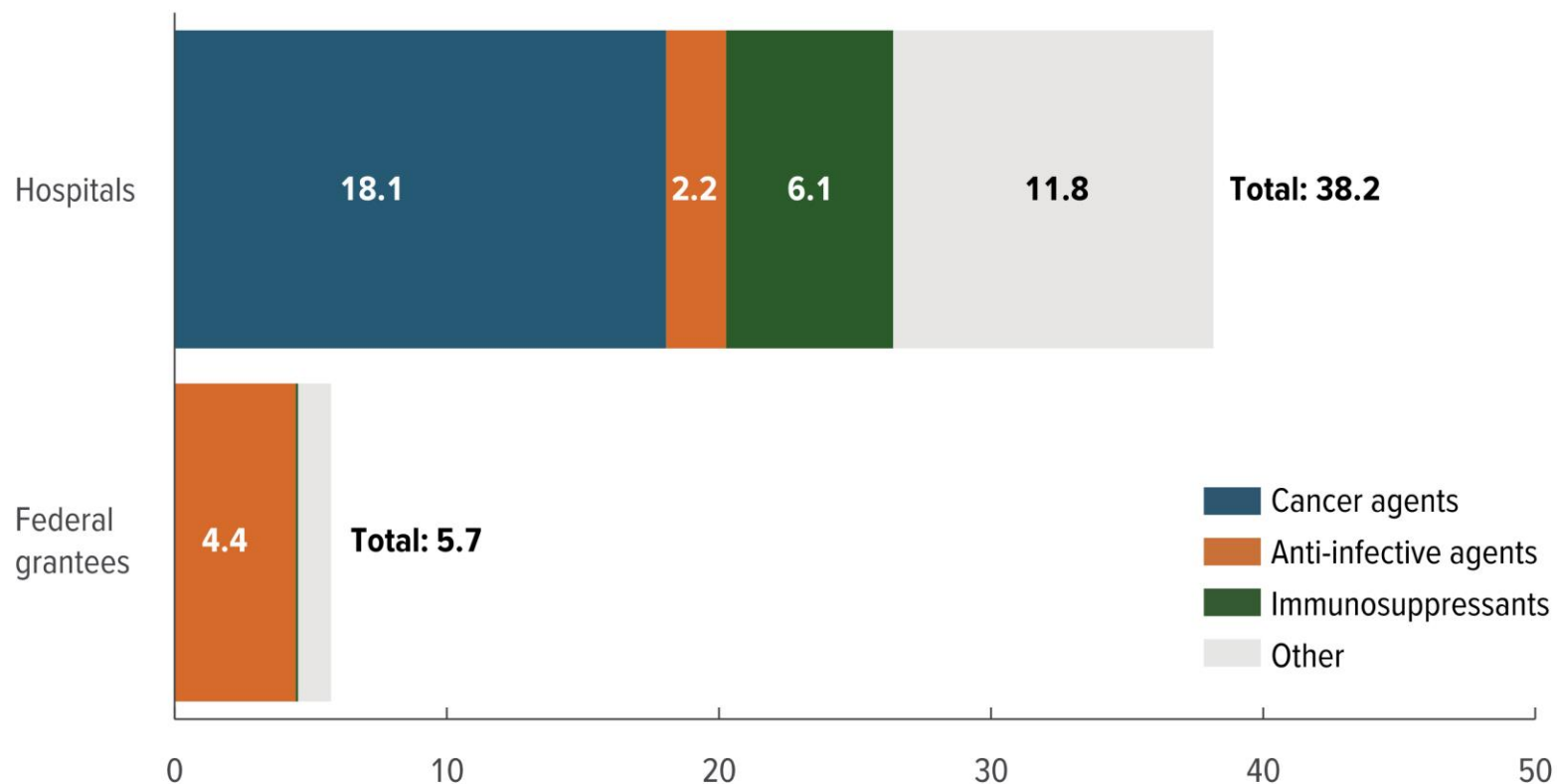
340B Savings Fund Critical Services

Kentucky hospitals invest their 340B savings to provide access to care and patient services that otherwise would not be available:

- Keeping the Doors Open in Rural Communities
- Cancer Treatment
- Mental Health Services
- Free or Discounted Medication for Vulnerable Patients
- Screening and Outreach to Vulnerable Communities
- Rural Health Clinics
- Hepatitis C Treatment

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

Billions of dollars



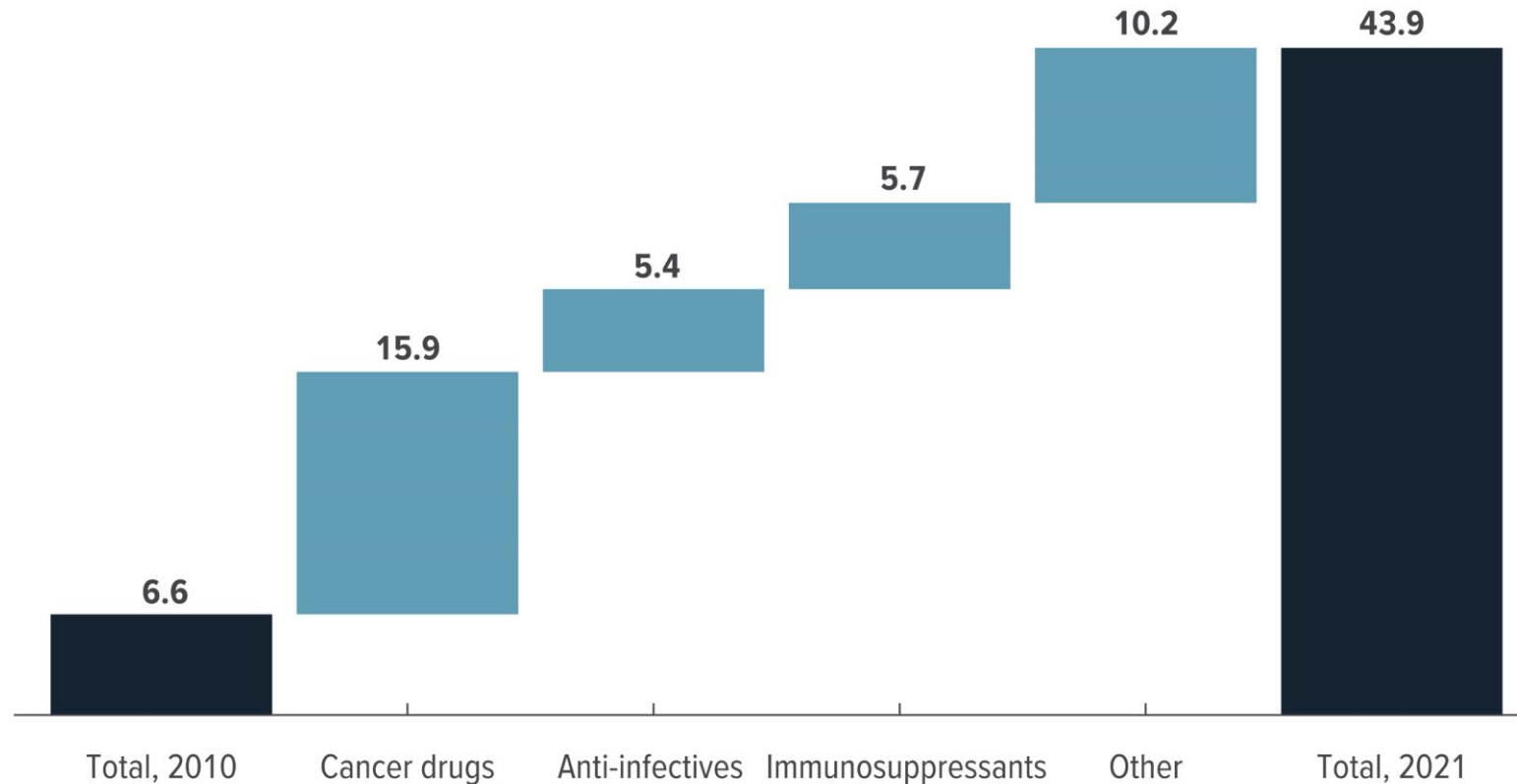
In 2021, 47 percent of 340B spending at hospital-based facilities was on cancer agents.

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

Growth in Spending, by Drug Class, 2010 to 2021



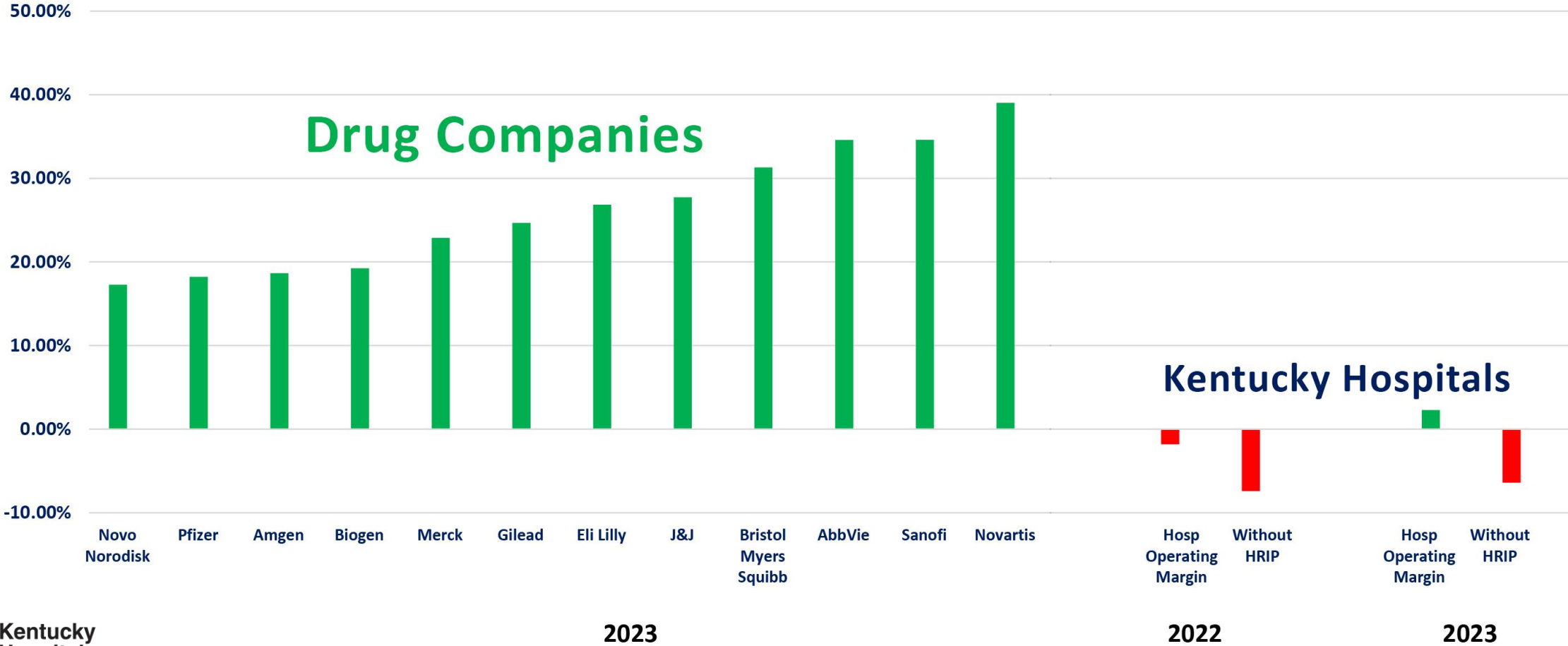
Billions of dollars



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.

Drug Companies Have Record Profits while Drug prices Skyrocket

Operating Margin Comparison



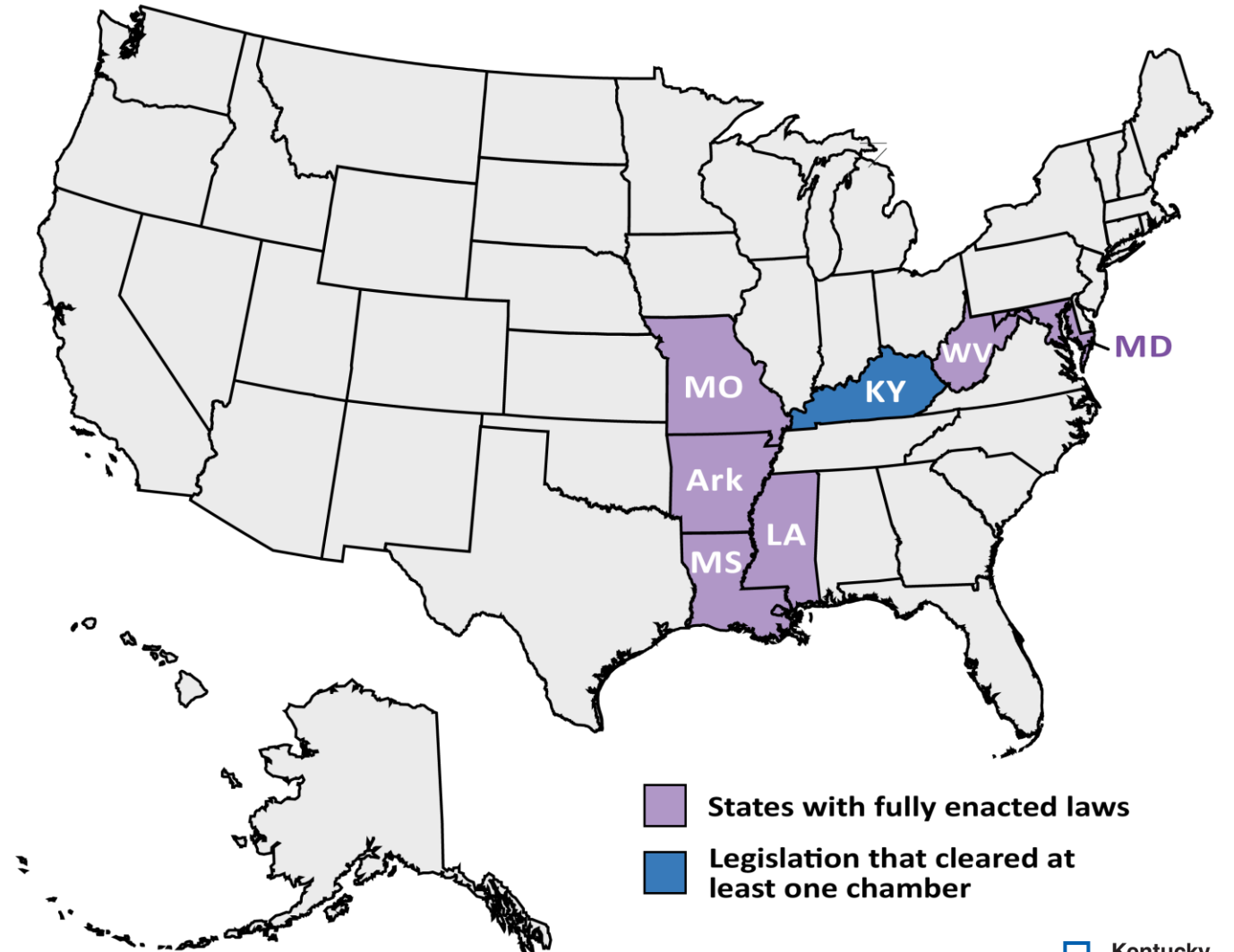
2023

2022

2023

States Are Stepping Up

- ▶ Twenty (20) states have introduced legislation to require delivery of prescription medicines to covered entities.
- ▶ SIX (6) states have fully enacted these laws and legislation cleared at least one chamber in three states, including Kentucky.
- ▶ PhRMA has challenged these laws in multiple federal courts and lost.



***Thank you for your time
and attention.***

**We are happy to take
questions.**