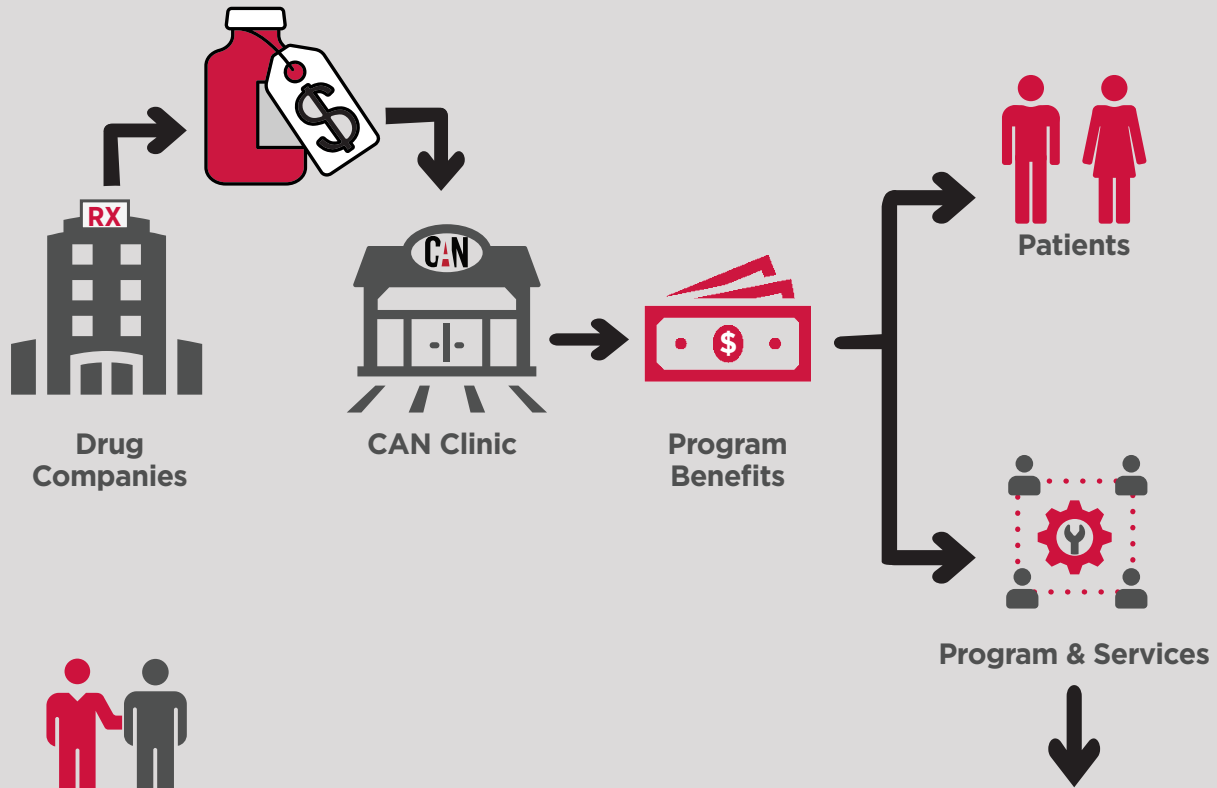




**Case Study:**  
**340B Drug Pricing Programs Role**  
**in Advancing National Public Health**

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## 340B Drug Pricing Program



- ✓ Dental Care
- ✓ Behavioral Health
- ✓ Primary Care
- ✓ Medical Mobile Units
- ✓ Medical Peer Navigator
- ✓ On-site Pharmacy
- ✓ Tele-health
- ✓ Nutrition programs
- ✓ Transportation Services
- ✓ HIV, Hep C, and STI testing
- ✓ PrEP (Pre-Exposure Prophylaxis)
- ✓ Insurance Assistance

## Executive Summary

The 340B Drug Pricing Program, established under the Veterans Health Care Act of 1992, requires drug manufacturers to provide outpatient medications at significantly reduced prices to eligible healthcare organizations. The primary objective is to enable these entities to stretch scarce federal resources, reaching more eligible patients and providing more comprehensive services. The 340B Drug Pricing Program serves as a critical tool in addressing these differences by allowing eligible healthcare providers to expand their capacity to serve vulnerable populations.

CAN Community Health is committed to empowering wellness by providing comprehensive medical, dental, and behavioral healthcare to people living with HIV and other infectious diseases. CAN relies on the 340B Drug Pricing Program to stretch limited federal resources. The program allows CAN to reinvest savings into expanded services, access points, and patient assistance to approximately 33,500 patients as of June 30, 2025.

## Enhancing Access to Medications

The benefits of 340B extend beyond affordability – they directly influence medication adherence. Studies have shown that patients of organizations who part of the 340B program are associated with improved adherence rates and better clinical outcomes among patients with chronic illnesses (Source: Kaiser Family Foundation). These organizations are able to offer medications at lower cost and utilize savings for wraparound services, these wraparound services include medication counseling, refill reminders, and pharmacy navigation. Enhanced adherence reduces the likelihood of complications, hospitalizations, and disease progression, ultimately lowering the overall cost of care for the healthcare system. At CAN Community Health, 340B savings support not only the provision of medications but also the expansion of primary care, specialty services, community outreach, and wraparound services. These interventions create a more patient-centered model of care that empowers individuals to manage their health proactively and with dignity.

## Public Health Impact & National Significance

Public Health Goal	How CAN's 340B Strategy Advances It
Medication access/affordability	Lower patient cost → higher adherence → fewer complications/ER visits
Infectious disease control	Accessible HIV, hepatitis C, STD meds → reduced transmission
Health equity	Free & sliding-scale services to marginalized populations
Cost savings	Flexible services during emergencies; expanded pharmacy reach

## Addressing Healthcare Disparities

At CAN Community Health, the 340B program supports the delivery of culturally competent, trauma-informed care tailored to the unique needs of diverse patient populations affected by HIV and other infectious diseases. The ability to fund outreach programs, community health initiatives, and linguistic and cultural



adaptations to care delivery helps reduce barriers such as stigma, mistrust, and lack of access – key drivers of health disparities. As a result, the 340B program is a powerful vehicle for advancing health equity and ensuring that no one is denied care due to their income, background, or insurance status.

The 340B program plays a pivotal role in mitigating healthcare disparities by enabling providers to serve a significantly higher proportion of low-income, uninsured, and medically underserved patients. By allowing eligible healthcare organizations to purchase outpatient drugs at reduced costs from manufacturers, the program frees up critical resources that can be redirected toward addressing the needs of populations at greater risk for acute care hospitalizations that are a significant cost.

For example, 340B hospitals care for nearly twice as many low-income patients compared to non-340B hospitals and provide substantially more uncompensated care, including charity care and services to Medicaid beneficiaries (Source: Medicare Payment Advisory Commission). These are often the largest disproportional share hospitals in many of the country's major cities and almost exclusively cover all rural critical access hospitals nationally. It is minimally known that the majority of these critical healthcare entities' savings come from the 340B Program.

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This commitment to care is not only a reflection of mission-driven service delivery but also a direct result of the financial flexibility enabled by the program.

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## Overview of the 340B Drug Pricing Program



Savings generated through the 340B program do not go directly to patients as drug discounts; instead, they empower providers to reinvest in vital services that enhance access, improve outcomes, and address social determinants of health. These funds are often used to support integrated care models that include case management, behavioral health, pharmacy services, mobile outreach, and care coordination – especially for complex, high-need populations. For many providers, including CAN Community Health, participation in the 340B program is essential to maintaining financial sustainability and fulfilling their mission to serve vulnerable communities with compassion and care.

**Significantly, the 340B program operates without federal appropriations, meaning that it imposes no additional cost to taxpayers. Instead, it leverages the existing commercial framework of the pharmaceutical industry to create systemic efficiencies in public health delivery. As such, it stands as one of the most impactful and cost-effective tools in the healthcare safety net infrastructure.**

Together, insurance companies, wholesale distributors, and third-party administrators (TPAs) create the infrastructure that allows covered entities like CAN Community Health to efficiently operate within the 340B program. They help streamline purchasing, optimize reimbursements, manage compliance risks, and ultimately expand patient access to affordable medications and critical health services. Without their collaboration, the program's administrative complexity could overwhelm safety-net providers and threaten the program's sustainability.

## Public Health Benefits of the 340B Program

The 340B Drug Pricing Program offers significant benefits for public health by enabling safety-net providers to reinvest their savings into programs that directly enhance community well-being. Revenue generated through 340B allows CAN Community Health to lower medication costs, increasing patient adherence to life-saving treatments and reducing preventable hospitalizations. CAN treats thousands of HIV-affected individuals regardless of insurance status. Revenue from the 340B program helps cover prescriptions and provide co-pay assistance.

### *Supporting comprehensive healthcare services*

- Increased Access to Care:** Increased Access to Care: Through 340B savings, CAN Community Health has expanded its services across six states, providing low- or no-cost care to 33,500 uninsured or under insured individuals. This increased access to care has been critical in southern states disproportionately impacted by HIV.
- Support for Wraparound Services:** Support for Wraparound Services: Revenue from the 340B program allows CAN Community Health to offer supportive services that are not always fully reimbursed through insurance, including transportation assistance, case management, PrEP navigation, housing referrals, and nutrition counseling. These services are essential for maintaining treatment adherence and improving patient outcomes (National Association of Community Health Centers, 2022).
- Investment in Innovation:** With 340B-generated revenue, CAN has invested in telehealth expansion, mobile testing units, and advanced data systems to improve patient tracking and engagement—particularly important in reaching rural or hard-to-reach populations.
- Reduction in Health Disparities:** The program supports culturally humble care for communities. By addressing social determinants of health, CAN helps bridge gaps in care and reduce long-standing disparities (Kaiser Family Foundation, 2021).
- Economic and Community Impact:** Beyond direct healthcare delivery, the 340B program provides employment, and healthcare-infrastructure for local economies as consistently a top place to work. For every dollar saved, providers like CAN multiply the impact through training the next generation of healthcare workers.

As a leading nonprofit organization providing comprehensive medical, dental, and behavioral healthcare to people living with HIV and other infectious diseases, CAN relies on the 340B Drug Pricing Program to stretch limited federal resources. The program allows us to reinvest savings into expanded services, access points, and patient assistance.

## Our Patient Stories



### Patient #1:

A young man in his early 20s was hospitalized with AIDS and at risk of losing his eyesight. His mother was told he needed an expensive medication, but the hospital couldn't provide it due to lack of insurance. Heartbroken, she turned to CAN Community Health. We covered the cost, and he later became a long-term patient with us.



### Patient #2:

A man living with HIV for 10 years had never received care. After multiple ICU visits and worsening health, he was connected to CAN. Our Medical Case Managers linked him to care and vital resources. Today, he remains in care with an undetectable viral load.

**Survey Feedback:** Excellent Service, I'm more than grateful for the attention the provider gave me. They gave me results in 3 days, unfortunately I tested positive on one of the tests, but I am already on treatment from the same facility that was discounted so I could afford the medications. Thank you very much for this beautiful work I am very thankful for the attention given to me.

**33,500**  
Patients  
in Care

(as of June 30, 2025)

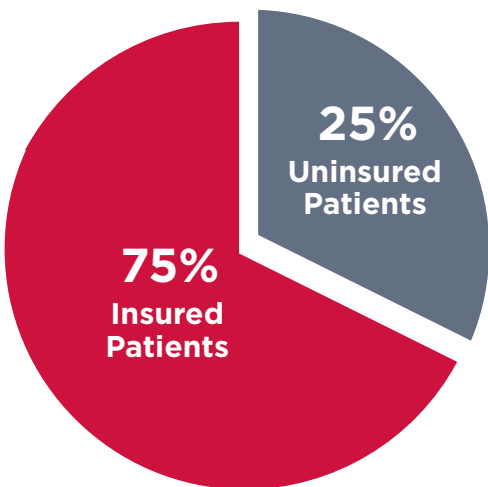
**DIAGNOSIS BREAKDOWN**

- HIV **62%**
- PrEP **26%**
- Hep C **6%**
- Other STI **3%**
- Other **3%**  
(Dental or Behavioral Health only)

**CAN Community Health Patients**

**340B Savings Empower CAN to Deliver Comprehensive Wraparound Services**

- Behavioral Health
- CAN CARES - Insurance Assistance Program
- Dental Care
- Education and Outreach for Sexual Health and Harm Reduction
- Food/Nutrition Services
- HIV, Hep C, and STI Testing
- HIV, Hep C, and STI Medical Care
- Medical Mobile Units
- Medical Peer Navigation
- On-Site Pharmacy
- PrEP (Pre-Exposure Prophylaxis)
- Primary Care
- HIV Rapid State Medical Provider
- nPEP (Non-Occupational Post Exposure Prophylaxis)
- Ryan White Eligibility, Provider, Case Management
- Support Groups Tele-health Services
- Transportation Services



**\$11.6 Million on Direct Patient Impact**

Patient Assistance Fund.....FY 2024	
Housing Assistance.....	\$322,467
Medical Assistance .....	\$9,776,227
Nutrition Assistance .....	\$840
Utilities Assistance .....	\$32,090
Transportation Assistance.....	\$425,862
Medication Co-Pay Assistance.....	\$1,100,000

**TOTAL: \$11,657,486**

## 340B Program Qualification

Qualification for the 340B drug pricing program is directly tied to maintaining certain federal grant funding and strict compliance with the associated grant requirements. Without these grants, covered entities (CEs) would lose their eligibility to participate in the 340B program, which is a critical pathway to providing discounted medications to vulnerable patient populations. Unfortunately, as federal funding for these grants continues to decline, many existing CEs are beginning to lose the very grants that enable their participation in 340B. This not only jeopardizes their ability to offer affordable medications but also threatens the broader safety-net infrastructure that ensures access to care for underserved communities. Without sustained grant support, both the program and the patients who rely on it are at significant risk.

CAN Community Health works closely with Authorizing Officials (AOs) to ensure the integrity, compliance, and long-term sustainability of its participation in compliance with grant requirements. This collaboration is essential for maintaining eligibility and maximizing the program's benefits to support patient care and community health initiatives.

## Expanding Patient Access and Easing Financial Strain

The 340B drug pricing program alleviates several administrative and financial burdens for covered entities (CEs), enabling them to better focus on patient care and community health. Key burdens it helps to reduce include:

- **Reduced Financial Strain:** By providing access to medications at significantly discounted prices, 340B reduces the cost burden on healthcare providers, allowing them to allocate resources toward expanding services, patient outreach, and uncompensated care.
- **Increased Capacity to Support Uninsured and Under insured Patients:** Savings generated from the 340B program help offset the costs of caring for patients who are uninsured, under insured, or unable to pay, reducing the administrative challenge of managing bad debt or charity care funding gaps.
- **Support for Essential Services:** 340B revenue often funds critical but under-reimbursed services such as HIV prevention, mental health, substance use treatment, and community health initiatives that would otherwise be financially unsustainable.

- **Streamlined Access to Medications:** For patients, 340B can reduce barriers to medication access by allowing CEs to provide affordable prescriptions directly or through contracted pharmacies, minimizing the need for complex patient assistance program applications.
- **Enhanced Program Sustainability:** The additional financial cushion from 340B savings helps stabilize safety-net providers, mitigating the need for constant fundraising or securing supplemental emergency grants.

However, it's important to note that while the 340B program reduces some financial burdens, it does introduce its own administrative complexities, including strict compliance, inventory tracking, auditing, and reporting requirements that CEs must diligently manage to maintain eligibility. These savings help offset the cost of uncompensated care and allow CAN Community Health to reinvest in critical patient services, such as HIV prevention, PrEP programs, behavioral health, dental care, and community outreach.

## Challenges and Threats to the 340B Program

Despite its critical role in supporting safety-net providers and reducing health disparities, the 340B Drug Pricing Program faces a growing number of challenges that threaten its long-term sustainability and effectiveness. Recent years have seen a surge in legal disputes, manufacturer-imposed restrictions, and policy proposals that undermine the original intent of the program. A primary concern is the limitation placed by some pharmaceutical manufacturers on the use of contract pharmacies—third-party pharmacies that dispense medications on behalf of 340B-covered entities. These restrictions have made it more challenging for providers, particularly those in rural or resource-limited areas, to ensure consistent access to medication for their patients.

Critics argue that without stronger transparency and accountability measures, the 340B program is vulnerable to misuse. While legitimate oversight is warranted, overly restrictive reforms risk hampering the ability of nonprofits like CAN Community Health to continue providing high-quality, inclusive care to those who need it most.

Proposals to narrow program eligibility, cap discounts, or limit reinvestment strategies could result in devastating consequences for public health infrastructure—especially in underserved communities battling chronic conditions, HIV/AIDS, and other infectious diseases. To preserve the integrity of the 340B program, stakeholders, legislators, and healthcare advocates must champion reforms that strengthen, rather than weaken, this vital public health resource.

## Economic Impact and Sustainability

At CAN Community Health, 340B funds have been instrumental in sustaining community-based programs, expanding telehealth and mobile testing infrastructure, and ensuring continuity of care for high-risk patients.

By reducing emergency room visits, hospitalizations, and complications from unmanaged conditions, the program delivers long-term cost savings to the broader healthcare system. This makes 340B not only a strategic tool for individual providers but also a fiscally responsible investment in national public health. Preserving the integrity and reach of the 340B program is essential to maintaining a resilient, accessible, and economically viable healthcare safety net for all communities.

## Conclusion

For CAN Community Health, the 340B program has been instrumental in advancing the organization's mission of empowering wellness. It has allowed CAN to broaden its reach, deepen its impact, and develop innovative models of care that center on the needs of those most affected by HIV/AIDS and other infectious diseases. These include investments in mobile outreach, telehealth, culturally competent staffing, pharmacy access, and community partnerships—all of which are made possible through the program's critical financial support. Looking ahead, the continued success of the 340B program depends on proactive advocacy, responsible stewardship, and thoughtful modernization. As the healthcare landscape evolves—with rising drug costs, shifting patient demographics, and increasing health disparities—340B must adapt to remain effective. This includes enhancing program transparency, strengthening accountability mechanisms, and safeguarding the role of contract pharmacies, which are crucial for reaching rural and underserved populations.

**Lawmakers and regulators must reaffirm their commitment to the program's original intent: to support providers that care for vulnerable communities and to reinvest in services that address the broader determinants of health.**

Without adequate support, threats such as manufacturer restrictions, reimbursement cuts, and regulatory uncertainty could erode the program's impact and destabilize essential public health infrastructure.

The 340B Drug Pricing Program is not merely a cost-containment strategy—it is a lifeline for millions of Americans and a cornerstone of our nation's effort to achieve health equity. For organizations like CAN Community Health, protecting and strengthening 340B is essential to ending epidemics, eliminating disparities, and ensuring that every individual—regardless of income, identity, or geography—has access to compassionate, comprehensive, and high-quality care.

## About CAN Community Health

CAN Community Health is the nation's premier resource in ending epidemics with a mission of empowering wellness. Headquartered in Tampa, Florida, CAN Community Health manages clinics across several states: Arizona, Florida, Nevada, South Carolina, Texas, and Virginia. Since 1991, CAN Community Health has delivered high-quality care to those affected by HIV, Hepatitis C, and other sexually transmitted diseases through outreach, integrated clinical practice, advocacy, education, and research. For more information about CAN Community Health and its services, please visit [www.CANCommunityHealth.org](http://www.CANCommunityHealth.org).



Mission: Empowering Wellness

Vision: The Nation's Premier Resource in Ending Epidemics

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