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*Advancing Health in America*

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## **AHA, HOSPITAL LEADERS ANNOUNCE 340B GOOD STEWARDSHIP PRINCIPLES**

**WASHINGTON, DC** (September 18, 2018) – Today, leaders from the American Hospital Association (AHA) and individual 340B hospitals announced new principles for ensuring good stewardship of the 340B program.

This new AHA-led initiative will strengthen the 340B program by increasing transparency while helping 340B hospitals better communicate the immense value of the program for vulnerable patients and communities.

“The 340B stewardship principles will help hospitals better tell their story of how this crucial program is delivering a variety of important benefits to patients and communities,” said Rick Pollack, president and CEO of the AHA. “In an era of skyrocketing drug prices, 340B has been critical in helping hospitals expand access to comprehensive health services, including lifesaving prescription drugs.”

“As president and CEO of the Carilion Clinic, I see firsthand each day that the 340B program helps patients and communities in Virginia,” said Nancy Agee, president and CEO of Carilion Clinic, chair of the AHA and a member of the AHA 340B Board Task Force. “These good stewardship principles will continue to strengthen the 340B program and help policymakers, other stakeholders, and the public better understand the immense value of 340B for patient care.”

“The 340B program has helped deliver immense benefits to the rural South Carolina communities that Tideland Health is proud to serve, including free care to uninsured patients, community programs to promote health and wellbeing, and professional hospital pharmacy services 24/7 for all patients,” said Bruce Bailey, president and CEO of Tideland Health and chair of the AHA 340B Board Task Force. “These new principles will help 340B hospitals across the country communicate why this vital program is so important to their patients and communities.”

“340B helps provide a range of health care services to Maine’s underserved and uninsured patients and communities,” said Michelle Hood, president and CEO of Eastern Maine Healthcare Systems and a member of the AHA 340B Board Task Force.

“Providing good stewardship of the 340B program will help ensure that participating hospitals can offer these comprehensive services that expand patient access to care.”

“The importance of the 340B Program to UC San Diego Health has demanded strong stewardship,” said Dr. Charles Daniels, pharmacist-in-chief for UC San Diego Health and a member of the AHA 340B Board Task Force. “These stewardship principles are at the core of our 340B operations. Continuing access to this vital program will allow UC San Diego Health to provide medical care to many underserved patients in a variety of different capacities.”

The following principles released today serve as the foundation for every 340B hospital’s good stewardship of the program:

- **Communicate the Value of the 340B Program:** The hospital commits to preparing and publishing a narrative, on an annual basis, that describes how it uses 340B savings to benefit the community. The narrative would address those programs and services funded, in whole or in part, by 340B savings, including those services that support community access to care that the hospital could not continue without 340B savings. Examples of such programs and services will be particular for each hospital and could include programs that expand access to drugs for vulnerable populations, as well as a wide range of other services, such as preventive care, emergency services, cancer treatment, vaccinations, home-based care, and mental and behavioral health services.
- **Disclose Hospital’s 340B Estimated Savings:** The hospital commits to publicly disclosing, on an annual basis, its 340B estimated savings calculated using a standardized method. That method would calculate 340B savings by comparing the 340B acquisition price to group purchasing organization (GPO) pricing. If GPO pricing is not available for a 340B drug, the 340B acquisition price for a drug would be compared to another acceptable pricing source. To provide context for the estimated savings, hospitals could compare their 340B estimated savings to the hospitals’ total drug expenditures, as well as provide examples of their top 340B drugs.
- **Continue Rigorous Internal Oversight.** The hospital commits to continuing to conduct internal reviews to ensure that the hospital’s 340B program meets HRSA program rules and guidance. Included in this effort is a commitment to regular and periodic training for their interdisciplinary 340B teams that encompasses C-suite executives, pharmacy, legal, and financial assistance, as well as community outreach and government relations staff if applicable.

The good stewardship principles have been endorsed by America’s Essential Hospitals, the Association of American Medical Colleges, the Catholic Health Association of the United States, the Children’s Hospital Association and 340B Health.

For additional information about the 340B program, including the good stewardship principles, visit [HERE](#).

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## 340B HOSPITAL COMMITMENT TO GOOD STEWARDSHIP PRINCIPLES

In its more than 25-year history, the 340B Drug Pricing Program has been critical in helping hospitals expand access to lifesaving prescription drugs and comprehensive health care services in vulnerable communities across the country, including to low-income and uninsured individuals. 340B hospitals support transparency to ensure that the program meets the Congressional objective: “to stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.”

To ensure good stewardship of the 340B program, hospitals participating in the program should structure hospital policies and practices to demonstrate their commitment. That demonstration of commitment includes sharing publicly how 340B savings are used to benefit the community, by, for example reaching more eligible patients and providing more comprehensive services for those in the community.

The following principles serve as the foundation for every 340B hospitals’ good stewardship of the program. To align with this “Commitment to Good Stewardship Principles,” 340B hospitals would:

- **Communicate the Value of the 340B Program:** The hospital commits to preparing and publishing a narrative, on an annual basis, that describes how it uses 340B savings to benefit its community. The narrative would address those programs and services funded, in whole or in part, by 340B savings, including those services that support community access to care that the hospital could not continue without 340B savings. Examples of such programs and services will be particular for each hospital and could include programs that expand access to drugs for vulnerable populations, as well as access to a wide range of other services, such as preventive care, emergency services, cancer treatment, vaccinations, home-based care, and mental and behavioral health services.
- **Disclose Hospital’s 340B Estimated Savings:** The hospital commits to publicly disclosing, on an annual basis, its 340B estimated savings calculated using a standardized method. That method would calculate 340B savings by comparing the 340B acquisition price to group purchasing organization pricing. If GPO pricing is not available for a 340B drug, the 340B acquisition price for a drug would be compared to another acceptable pricing source. To provide context for the estimated savings, a hospital could compare its 340B estimated savings to the hospital’s total drug expenditures, as well as provide examples of its top 340B drugs.
- **Continue Rigorous Internal Oversight.** The hospital commits to continuing to conduct internal reviews to ensure that the hospital 340B program meets the Health Resources and Services Administration’s program rules and guidance. Included in this effort is a commitment to regular and periodic training for the hospital’s interdisciplinary 340B teams that encompass C-Suite executives, pharmacy, legal, and financial assistance, as well as community outreach and government relations staff, if applicable.