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## ADAP Advocacy Questions 340B Drug Discount Program Practices

*Examination focuses on Growing 340B Revenues, Increasing Executive Compensation, Declining Charity Care, and the Explosion of Medical Debt*

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WASHINGTON, D.C. – ADAP Advocacy today announced a new initiative calling attention to the need for more accountability and transparency in the 340B Drug Discount Program, as part of its Ryan White Grantee 340B Project. The project's newly minted Ryan White Grantee 340B Patient Advisory Committee has initiated a limited examination of the 340B Covered Entities, including their growing 340B revenues, as well as increasing executive compensation (CEOs only), compared to declining charity care and the explosion of medical debt in the United States.

The 340B examination, *which is still ongoing*, found executive compensation increased significantly at 340B Covered Entities after they became eligible for 340B drug rebates as a source of revenue. In the same period, hospitals receiving 340B rebates almost uniformly saw nearly universal decreases in the percentage of charity care they provided as a percentage of revenues.

“According to numerous respected reports published by the [Urban Institute](#), [Kaiser Family Foundation](#), and the [Consumer Financial Protection Bureau](#), medical debt is crushing American families” summarized Brandon M. Macsata, CEO of ADAP Advocacy. “In 2022, 340B-related revenue skyrocketed to \$53 Billion – that’s “B” for “BILLION” – and yet medical debt is on the rise, topping \$195 billion being owed by American families. There is a disconnect when 340B revenues, as well as executive compensation, is going up, all while charity care is going down. Patients are asking: [what about me?](#)”

[Medical debt touches more families than even student debt](#), with one [estimate](#) showing at least 11 million owing more than \$2,000 in medical debt and at least 3 million owing more than \$10,000. Approximately 75% of adults with medical debt [owe that debt to hospitals](#).<sup>1</sup>

To learn more about ADAP Advocacy, AIDS Drug Assistance Programs, or its 340B Project, please email [info@adapadvocacy.org](mailto:info@adapadvocacy.org).

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**About ADAP Advocacy:** ADAP Advocacy’s mission is to promote and enhance the AIDS Drug Assistance Programs (ADAPs) and improves access to care for persons living with HIV/AIDS. ADAP Advocacy works with advocates, community, health care, government, patients, pharmaceutical companies, and other stakeholders to raise awareness, offer patient educational programs, and foster greater community collaboration.

<sup>1</sup> Community Access National Network (2023, June 19). The Necessity of Patient-Centered 340B Reform. Retrieved online at <https://www.hiv-hcv-watch.com/blog/june-19-23>.

