

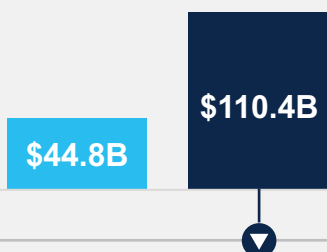


340B Program at a Glance

The 340B program has experienced substantial change over the past 10 years. Through growth in contract pharmacy operations, introduction of new hospital eligibility pathways, expansion of Medicaid, and a continued shift in site of care, total 340B program sales have increased from \$5.3 billion in 2010 to over \$44 billion in 2021. Provided below are key statistics on the current state of the 340B program.



340B is the **2nd largest** federal prescription drug program



\$44.8B in discounted 340B program sales which equates to **\$110.4B** in gross sales



59% average discount off list price for drugs purchased at the 340B price



340B purchases represent **18%** of outpatient branded drug sales for 2021

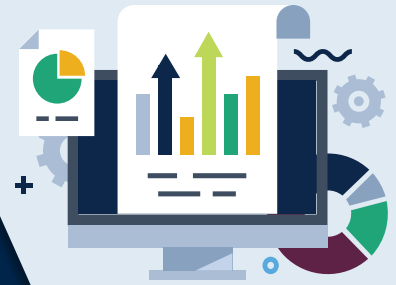
163%
growth in 340B sales
over the last 5 years



Contract pharmacy
arrangements grew by **215%**
between 2017 and 2022

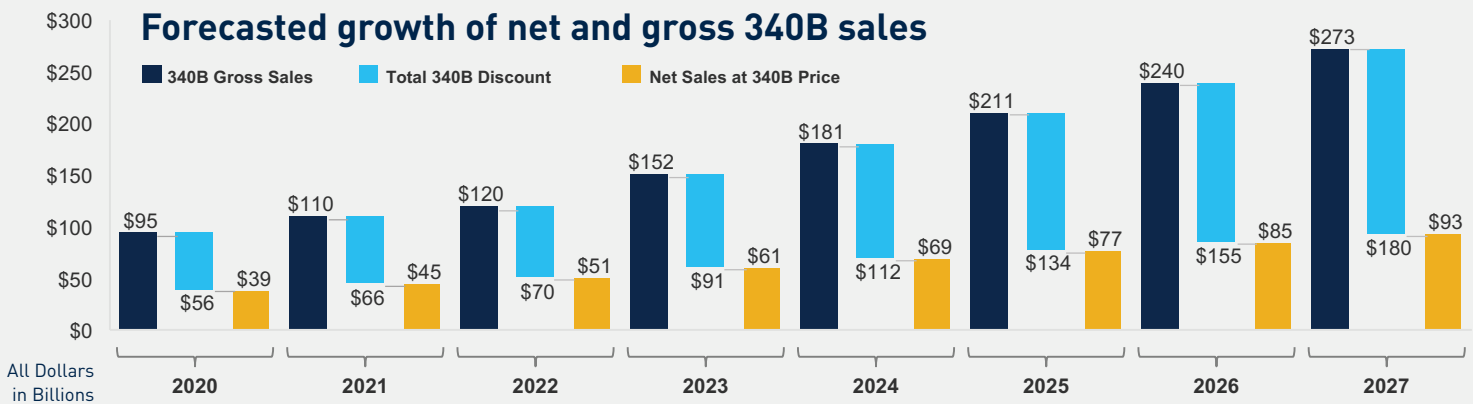


- Gross and net 340B sales figures and overall 340B program growth are based on BRG analysis of net program sales as reported by HRSA, available at: <https://www.drugchannels.net/2022/08/the-340b-program-climbed-to-44-billion.html>.
- Hospital and pharmacy enrollment figures are based on BRG analysis of HRSA enrollment data.



340B Program Outlook

Using historical trend analysis of the 340B program and projections for future utilization of medicines in the US, BRG experts have developed a 340B program forecast. Provided below are key statistics on the future state of the 340B program.



340B will be the largest

federal drug program by 2027 exceeding gross drug purchases through Medicare Part D, Medicare Part B and Medicaid



\$10B

in 340B profits estimated to be captured by for-profit contract pharmacies in 2023

1 in 4

brand drugs will be purchased at the 340B price by 2025



Contract pharmacy remains a large growth driver:

1 in 4

340B drug purchases will be dispensed by a contract pharmacy in 2025



- Drug discounts and forecasted program sales are based on BRG's analysis of medical and pharmaceutical claims data, HRSA registration data, and pricing information from the Elsevier Gold Standard Drug Database.
- Medicare and Medicaid future gross drug spending are based on BRG analysis of data released by CMS and MACPAC.

The mission of the 340B Industry Roundtable is to promote better understanding about operations and developments related to the federal 340B Drug Pricing Program and enable its members to make more efficient, competitive, and independent business decisions regarding the 340B Program in compliance with applicable laws and regulations. All information contained in this edition of the Forecast Report is derived from appropriate sources, including information published by third parties/ subscription services, publicly available information and reports, and observations and analysis by BRG staff that do not violate any confidentiality obligations BRG owes to its clients and are appropriately aggregated and anonymized.

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