Ryan White Clinics for 340B Access

CBO Report on 340B Is Fundamentally Flawed

The Congressional Budget Office (CBO) report entitled "Growth in the 340B Drug Pricing Program" – released on September 9, 2025 – is being cited by 340B critics as evidence to reform the 340B program. This dangerous conclusion fails to consider key information that the report leaves out and unsupported generalizations the report makes.

A critical reading of the report and understanding of the 340B program's interaction in the broader health care system shows that the 340B program is working as Congress intended, "to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services."[1]

- The 340B program is a taxpayer relief program, as the savings are **not** provided by the federal government.
- Previous expansions of the 340B program via the Affordable Care Act and Deficit Reduction Act have received a zero and negative Congressional Budget Office scores, respectively, **showing the program reduces federal spending**.[2]
- RWCs use the savings provided by the 340B program to **control our nation's HIV epidemic** by providing primary health care, pharmaceutical treatments, and support services for low-income people with HIV/AIDS.
- These interventions **improve patient outcomes, avoid costly care of uncontrolled HIV.**

CBO Is Unsure of Its Conclusions—You Should Be Too

CBO prematurely draws damaging conclusions indicating that the 340B program increases federal spending but also states that it lacks the data to back these conclusions. **CBO's lack of certainty undermines its own credibility.** In CBO's own words . . .

- "CBO does not have sufficient data to quantify the effects of [the behavioral] factors."
- "In many cases, the evidence about the behaviors is limited."
- "The magnitude of [the behaviors'] effects is unknown."
- "CBO does not have the data to determine whether higher spending is caused by 340B facilities' prescribing more drugs, more expensive drugs, or both."
- "CBO cannot assess how participants in the 340B program use net revenues or which patients benefit from those revenues."

CBO Cited 340B Program "Behaviors" Ignore True Drivers of High Healthcare Costs, 340B's Role in Saving Taxpayer Dollars, and 340B's Role in Ending the HIV Epidemic

⚠ **CLAIMED BEHAVIOR**: *Drug manufacturers reduce rebates for 340B drugs.*

✓ **THE TRUTH**: **The choice to provide rebates is entirely within manufacturers' control.** Placing blame on safety net providers for a multi-billion-dollar industry's failure to provide insurers with rebate discounts is unfair and deceptive.

CLAIMED BEHAVIOR: *Clinicians prescribe more drugs and drugs that cost more.*

THE TRUTH: **Manufacturers are to blame for high drug prices, not covered entities.** Clinicians are prescribing more drugs, as patients are living longer and living with more chronic diseases that require drug treatment. 60 percent of U.S. adults have at least one chronic condition, and 40 percent have two or more.[3]

Advances in medicine have made it possible to treat many of these chronic diseases in part with medications. Covered entity providers, like all providers, prescribe the drugs that best meet a patient's therapeutic needs. Covered entities often treat patients who are sicker than the general population and therefore require more complex care and medication management.

CLAIMED BEHAVIOR: *Participating facilities expand the services they provide.*

THE TRUTH: **Expanding services for patients is a core purpose and cost saving feature of the 340B program.** Expanded services mean more vulnerable patients are served by RWCs, including the uninsured and underinsured. These services are provided at no expense to taxpayers.

The 340B program reduces avoidable government spending– If these patients failed to receive care by covered entities, they would end up in hospital emergency departments with the federal government shouldering the cost.

CLAIMED BEHAVIOR: *More hospitals and off-site clinics integrate.*

THE TRUTH: **340B is not a significant driver of system consolidation**– 340B providers face financial instability, regulatory burden, and lack of bargaining power that often leads to system consolidation.

RWC Grantees Lower Health Care Costs, Protect Public Health

The CBO report reinforces the need for 340B program savings to support the vital services RWCs provide. Notably, the report states **that 98 percent of RWC drug purchases were for anti-infective drugs such as those that control HIV.**

Access to these drugs for patients with HIV is critical to controlling our nation's HIV epidemic. **Controlling HIV infections drastically reduces health care costs.** Lifetime care for an individual with uncontrolled HIV is over double the cost of an individual with controlled symptoms.[4]

The 340B program builds on these savings by ensuring that HIV-positive individuals retain consistent health care and comply with their drug treatment regimens. Adherence to antiretroviral drugs is critical to achieving viral load suppression, or an "undetectable" level of HIV in a person's blood, making the disease less likely to be transmitted to others.

1. H.R. Rep. No. 102-384, pt. 2, at 12.
2. Letter from Douglas W. Elmendorf, Director, CBO to Harry Reid, Majority Leader (Mar. 11, 2010); CBO, Cost Estimate, S. 1932: Deficit Reduction Act of 2005 (Jan. 27, 2006).
3. Christine Buttorff et al., Rand Corp., Multiple Chronic Conditions in the United States (2017).
4. Adrienna Bingham et al., *Estimated Lifetime HIV-Related Medical Costs in the United States*, 48 J. Sexually Transmitted Diseases 299 (2021).

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