

# Study Finds Higher 340B Profit Margins for Facilities Serving Wealthier Communities, With Stronger Bargaining Positions

*The findings of a study published in INQUIRY add to the growing body of literature on the 340B program's unchecked expansion into more affluent communities.*

WASHINGTON, DC, UNITED STATES, March 31, 2025 /EINPresswire.com/ -- Hospitals and covered entities serving wealthier communities are collecting higher margins on 340B drug purchases, according to [new research published in the journal INQUIRY](#).

Higher 340B margins for drugs dispensed to more affluent, better-insured patients may be incentivizing the expansion of contract pharmacies into wealthier areas and away from uninsured and low-income populations.

The peer-reviewed research "The Association of 340B Program Drug Margins With Covered Entity Characteristics" was authored by Robert J. Nordyke, PhD, James Motyka, PharmD, and Julie A. Patterson, PharmD, PhD.

"With increased attention on the expansion and impact of the 340B program, we wanted to better understand what factors impact profit margins in 340B," said Dr. Patterson. "The data showed that covered entities with more market power see higher margins – which you might expect. But it also showed that higher margins were associated with increased affluence of the community where the covered entity is located – which isn't how you'd expect a program that is supposed to be focused on the uninsured and vulnerable to function."

The researchers conducted a cross-sectional analysis of predictors of facility-level 340B profit margins for 128 sites and five drug classes using 2021 data. They found that the type of drug, facility type and market power, and wealth of the geographic area of the facility influence drug margins under the 340B program.

"This adds to the body of literature about how the 340B program often serves as a drug markup program for hospitals and covered entities that costs employers, states, and ultimately patients," said NPC President and CEO John O'Brien, PharmD, MPH. "Reforms are urgently needed to this program to address ways the program may be enabling profiteering as part of the explosive growth of this program."

## [READ THE RESEARCH](#)

About the National Pharmaceutical Council

NPC serves patients and society with policy-relevant research on the value of patient access to innovative medicines and the importance of scientific advancement. We envision a world where advances in medicine are accessible to patients, valued by society, and sustainably reimbursed by payers to ensure continued innovation. For more information, visit [www.npcnow.org](http://www.npcnow.org) and follow NPC on LinkedIn.

Michael Pratt

National Pharmaceutical Council (NPC)

+1 202-695-5776

[mpratt@npcnow.org](mailto:mpratt@npcnow.org)

Visit us on social media:

[X](#)

[LinkedIn](#)

[YouTube](#)

---

This press release can be viewed online at: <https://www.einpresswire.com/article/798101873>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2025 Newsmatics Inc. All Right Reserved.