

# New Research Finds 340B Program Tied to Increased Hospital Assets and Administrative Salaries

*Long-term 340B participation is linked to stronger financial assets, with much of the program's recent growth flowing through child sites at wealthier hospitals*

WASHINGTON, DC, UNITED STATES, June 22, 2026 /EINPresswire.com/ -- [New research](#) published in the peer-reviewed Health Affairs Scholar finds that hospitals participating in the federal 340B Drug Pricing Program have accumulated substantially more financial assets than structurally similar hospitals that do not participate in it. After controlling for hospital size, teaching status, revenue, and profitability, 340B participation was associated with 47.5 percent higher total assets. "Association of 340B Entity Eligibility With Changes in Hospital Financial Performance" was conducted by the National Pharmaceutical Council and Health Capital Group, and authored by Neal Masia, PhD, Jon Campell, PhD, Yevgeniy Feyman, PhD, and Kenneth Finegold, PhD.

"Established in 1992, the 340B program was intended to help ensure vulnerable patients could access and afford the medicines they need," said Jon Campbell, Chief Science Officer at the National Pharmaceutical Council. "This research adds to a body of evidence that the program is not working as intended as it incentivizes large non-profit hospitals to prioritize financial growth and higher administrative salaries. The evidence supports the need to examine whether revenue and salary growth translates to supporting more vulnerable patients."

The study is among the first to track how longer-term 340B participation relates to hospital finances, rather than a single snapshot. Following hospital performance over a decade-long period, the authors found that 340B hospitals grew assets faster than non-340B hospitals. Much of that growth has come through child sites, outpatient clinics that operate under a parent hospital's 340B eligibility but aren't required to serve its low-income patients. Hospitals operating more sites posted faster asset growth, according to the research.

"Research on 340B has not examined multiple, robust measures of hospital financial performance," said Neal Masia, PhD, lead author, and Adjunct Professor of Economics at Columbia University. "By following hospital finances across a full decade, we see that participation is consistently associated with stronger financial assets and asset growth, and the pattern holds after accounting for the factors you would expect to drive them."

For the average large 340B hospital, participation was associated with roughly \$276 million in

additional assets. Across the 1,029 such hospitals studied, the authors estimate \$284 billion in 340B assets as of 2023. These hospitals also spent more on administration, with participation associated with 22.8 percent higher administrative salary spending, an estimated \$7 million more per year.

The authors analyzed Medicare Cost Report data from 2013 to 2023 alongside HRSA's Office of Pharmacy Affairs Information System, covering 2,605 community hospitals, with controls for hospital characteristics and state-level fixed effects.

The findings come as the 340B program draws increased scrutiny, with non-profit hospitals garnering significant attention for their strong financial performance. According to the Health Resources and Services Association (HRSA), which oversees 340B, the federal program accounted for more than \$80 billion in discounted drug purchases by covered entities in 2024. A 2025 majority staff report from the U.S. Senate HELP Committee found that two large 340B health systems generated hundreds of millions in savings and revenue between 2018 and 2023, and a Minnesota Department of Health report found the largest 340B hospitals captured more than 80 percent of statewide revenue, over \$1 billion. And just last year, the Congressional Budget Office — Congress's official budgetary scorekeeper — acknowledged that the 340B program increases federal spending. This evidence further supports that the program's collective growth benefits 340B hospitals' bottom line and may come at a cost to taxpayers.

The authors conclude that the consistent link between 340B participation and stronger hospital finances underscores the need for additional research and greater transparency into how hospitals use proceeds from the 340B program.

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