New Study Finds 340B Nonprofit Hospitals Are Not Expanding Unprofitable Care in Underserved Communities

Analysis finds most nonprofit hospital expansion occurred in advantaged communities and recommends more transparency and accountability in the 340B Program.

WASHINGTON, DC, UNITED STATES, July 30, 2026 /EINPresswire.com/ -- The Health Equity Collaborative (HEC) today released a new white paper examining whether the 340B Drug Pricing Program is fulfilling its original mission of expanding care for low-income and underserved patients. The analysis found that nonprofit hospitals participating in the 340B Program are generally not expanding unprofitable healthcare services or concentrating growth in the nation's most socioeconomically disadvantaged communities.

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> *Amy Hinojosa, Founding Member of the Health Equity Collaborative*

The report, "Nonprofit Hospitals Do Not Use the 340B Program to Expand Unprofitable Care: 340B Nonprofit Hospitals Do Not Expand Unprofitable Care in Socioeconomically Disadvantaged Communities," analyzed hospital participation and expansion between 2015 and 2024, evaluating where hospitals have grown and whether participation in the 340B Program is associated with increased investment in high-need services such as psychiatric care.

"The 340B Program was created to strengthen the healthcare safety net by supporting providers that serve low-income and vulnerable patients," said Amy Hinojosa, HEC founding member. "Our research raises important questions about whether the program's current incentives are consistently advancing that mission. As policymakers consider the future of the program, greater

transparency and accountability are essential to ensuring 340B resources are reaching the patients and communities Congress intended to support."

Key Findings:

- Nonprofit hospital expansion has primarily occurred outside the nation's most vulnerable communities. Between 2015 and 2024, 64 percent of counties where nonprofit hospitals newly entered the 340B Program were classified as socioeconomically advantaged or moderately advantaged based on the Centers for Disease Control and Prevention's Social Vulnerability Index.

- Public hospitals—but not nonprofit hospitals—expanded unprofitable services following participation in the 340B Program. The analysis found that public hospitals were associated with an increased likelihood of offering outpatient psychiatric care after joining the program, while nonprofit hospitals showed no comparable increase in unprofitable services.

- Child-site expansion also favored more advantaged communities. Nearly 70 percent of counties with child sites affiliated with hospitals that joined the 340B Program during the study period were located in socioeconomically advantaged or moderately advantaged communities.

Recommendations for Strengthening the 340B Program

Based on the findings, the Health Equity Collaborative recommends reforms designed to better align the program with its original purpose of supporting underserved patients, including:

- Increasing transparency by requiring reporting on 340B-generated revenue and how those resources are invested in patient care.

- Strengthening oversight by requiring the Health Resources and Services Administration (HRSA) to collect and publish the governmental contracts nonprofit hospitals rely upon to qualify for the program.

- Reevaluating hospital eligibility standards to better reflect providers' commitment to serving low-income patients through measures such as charity care, uncompensated care, and Medicaid-related financial losses.

"The goal should be to ensure that every dollar generated through the 340B Program advances health equity," said Amy Hinojosa, HEC founding member. "This research provides evidence that can help policymakers strengthen the program while preserving its critical role in supporting America's healthcare safety net."

The Health Equity Collaborative encourages policymakers, healthcare leaders, researchers, and patient advocates to review the findings and engage in a constructive dialogue about how the

340B Program can better fulfill its mission.

The full white paper is available at www.healthequitycollaborative.org.

About the Health Equity Collaborative

The Health Equity Collaborative is a diverse community comprised of dozens of national, public health, patient advocacy, civil rights, and multicultural organizations that are committed to supporting equity and combating disparities experienced by underserved populations.

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