PROTECT AND PRESERVE 340B

CHILDREN'S HOSPITAL ASSOCIATION



The 340B Drug Pricing Program supports safety net providers, including children's hospitals, in their mission to serve low-income and under-insured patients. Children's hospitals are eligible for the essential program because they are often major Medicaid providers.[3] 340B allows them to purchase outpatient drugs at lower prices and use the financial savings to support patient care services and community health initiatives.

53

children's hospitals* currently participate in the 340B program.[1]

A 2025 CHILDREN'S HOSPITAL ASSOCIATION ASSESSMENT SHOWS THE ANNUAL IMPACT OF THE 340B PROGRAM. ANNUALLY, A 340B CHILDREN'S HOSPITAL:

Provides

~$272M

of community benefit on average[2] to their community and patients, with some higher response values reaching**

~$550M.[2]

Provides

~$151M

of undercompensated care*** on average[2] to patients, with some higher response values reaching**

~$335M.[2]

Saves

~$39M

on average[2] through 340B participation to further support essential patient services and community-based programs, with some higher response values reaching**

~$89M.[2]

The geographic reach of 340B children's hospitals is vast. Almost every hospital in CHA's assessment said the majority of their services extend across their state and into multiple states or beyond.[2]

ChildrensHospitals.org
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On average, more than half of children's hospitals' patients are covered by Medicaid/CHIP.[3] Children's hospitals use the funds they save through 340B to account for low Medicaid reimbursement rates and to maintain critical services and community-based programs.

Thanks to 340B savings, children's hospitals can provide:[2]

MENTAL AND BEHAVIORAL HEALTH SERVICES

Support community partnerships, existing services, and expanded services for some children's hospitals, with some even adding new care facilities.

CANCER TREATMENT

Extend treatments for children with pediatric cancer. The 36-month average cost of treatment for children ages 1-9 with acute lymphoblastic leukemia is ~$447K.[4]

HEALTH CARE ACCESS

Sustain and expand access to specialized care, telehealth services, and prescription medication delivery for patients in rural and underserved areas.

AFFORDABLE PRESCRIPTION DRUGS

Enhance pharmaceutical access for children by providing low-cost or no-cost prescription drugs, delivery assistance, and specialty pharmacy support services.

PEDIATRIC HEALTH CARE WORKFORCE

Bolster workforce training, recruitment and retention programs to mitigate ongoing pediatric workforce shortages so children have access to needed care.

CELL AND GENE THERAPY (CGT) PROGRAMS

Support CGT programs and treatments for children with rare genetic disorders. Many CGTs are known as high-cost therapies (HCTs) and can cost $1M+.[5****]

For more information, see childrenshospitals.org/highcost.

1. "Office of Pharmacy Affairs 340B OPAIS," Health Resources & Services Administration, 2025.*Fifty-three 340B children's hospitals were identified using the Health Resources and Services Administration's Office of Pharmacy Affairs 340B OPAIS database.
2. "340B Children's Hospitals: Impact Profile Assessment," Children's Hospital Association, 2025. Note: Information obtained from a total of 34 children's hospitals with some response values excluded during the data verification process. ***"Some higher response values reaching" is defined as values at the 90th percentile. ***In this assessment, undercompensated care was defined as the sum of charity care, bad debt, and Medicaid underpayment or other means-tested government programs' underpayment.
3. Data Source: Annual Benchmark Report (ABR), Fiscal Year 2023. Note: Hospital cohort included freestanding and children's hospitals within hospitals. Participating ABR-participating hospitals are the largest and most advanced children's hospitals in America and constitute the most demanding standards of pediatric care in America.
4. Turcotte, Lucie, M., et al., "Real-World Cost of Pediatric Acute Lymphoblastic Leukemia Care Among Commercially Insured Individuals in the United States: Effect of Era and Age at Diagnosis," JCO Oncology Practice: Vol. 18, No. 11, 2022.
5. Odouard, Ilina, et al., "Medicaid Spending and Utilization of Gene and RNA Therapies for Rare Inherited Conditions," Health Affairs Scholar: Vol. 2, No. 5, 2024. ****One-time HCTs for pediatric patients can cost more than $1 million. For continuing treatment with HCTs that exceed one-year, cumulative expenses can exceed $1 million.

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