

MEDICAL SOCIETY OF THE STATE OF NEW YORK
House of Delegates
Resolution 50
Introduced by: NASSAU COUNTY
Subject: 340B REGULATIONS
Referred to: Reference Committee on Governmental Affairs A

Whereas, 340B regulations were developed for the not for profit hospitals in 1992 by the Public Health Service Act; and

Whereas, these regulations allow hospitals and other facilities to acquire medications at 50% of its usual price for the benefit of underinsured and uninsured patients and to free up funds for hospitals to provide charity care; and

Whereas, these regulations were designed primarily for institutions in relatively underserved communities; and

Whereas, there is ample evidence that many institutions have utilized these regulations to increase their profits and have not provided low or no cost care to underserved communities; and

Whereas, qualifications to determine which institutions receive the benefits of 340 B regulations are determined by private data vendors and pharmacy benefit managers at significant profit with little or no governmental oversight; and

Whereas, only 24% of participating hospitals in New York are in underserved communities and generate 2.8 times as much from 340 B as they spend on charity care; and

Whereas, less than $\frac{2}{3}$ of 340B institutions nationally provide charitable care at or above the national average; and therefore be it

RESOLVED, that 340B regulations be revisited by Congress and other appropriate regulatory bodies; and be it further

RESOLVED, that there be strict rules and transparency regarding use of funds generated by 340 B regulations; and be it further

RESOLVED, that there be definitive governmental oversight for entities involved in 340B benefits; and be it further

RESOLVED, that institutions receiving 340 B benefits provide significant care to patients commensurate to the degree of funding resulting from 340 B regulations; and be it further resolved

RESOLVED, that the AMA consider this resolution at their 2024 annual spring meeting.