Illinois Health and Hospital Association

When a man in his 60s came to Pinckneyville Community Hospital with diabetic ketoacidosis, a life-threatening medical emergency, it wasn't because he didn't know he had the chronic condition. It was because he couldn't afford his medicine. As a result, the patient spent several days in the hospital after the insulin sample his provider gave him ran out.

Upon discharging the patient, hospital staff also gave the man an insulin sample—but with a referral to a prescription assistance program. The hospital can offer that program because of savings generated by the federal 340B drug discount program. The patient now receives free insulin and is able to live a healthier life.

Yet, like many hospitals, Pinckneyville Community Hospital faces financial challenges only exacerbated by pharmaceutical companies not living up to the promise of 340B: to help hospitals "stretch scarce federal resources as far as possible" to reach more eligible patients and provide more comprehensive services.

Pinckneyville Community Hospital has seen its 340B drug cost savings drop by 52% in just three years—from $922,000 in 2021 to $444,000 in 2023. The hospital stands to lose another $209,000 per year from one manufacturer since being forced to designate a single pharmacy as a 340B contract pharmacy rather than working with four contract pharmacies like they had been.

New restrictions by pharmaceutical companies mean significant reductions in the drug cost savings the hospital dedicates to charity care and services that promote patient health, including:

- $1 million to $2.3 million in charity care per fiscal year;
- Clinics for patients with congestive heart failure and chronic obstructive pulmonary disease offering free education and treatment programs; and
- New programs including aquatic therapy and outpatient behavioral health care.

Pinckneyville Community Hospital, about 130 miles south of Springfield, is a federally designated Critical Access Hospital. It's located in Pinckneyville, a city of 5,000 people with 13% living in poverty.

According to hospital leaders, "Without the 340B program, Pinckneyville Community Hospital would experience negative operating margins which would significantly impact the hospital's financial stability." That could result in ending programs and services patients rely on for optimal health.