

Congressional request on health care provider consolidation: Does the 340B program create incentives for participating hospitals to use more expensive drugs?

ISSUE: In 2018, the Chairman of the Committee on Energy and Commerce of the U.S House of Representatives asked MedPAC to report on series of questions on the effects of hospital mergers, physician-hospital consolidation, and the 340B Drug Pricing Program.

KEY POINTS: We presented a review of the literature and data analyses on the effects of hospital consolidation and physician-hospital integration in November. We will present an analysis of whether the availability of 340B drug discounts creates incentives for hospitals to choose more expensive products in some cases and the resulting impact on Medicare patients' cost-share for such drugs in such cases.

ACTION: The Commissioners should discuss the material and provide guidance for finalizing the report.