

# The Value of the 340B Program: University of Louisville Health Case Study

## UofL Health

With roots dating back to 1823, University of Louisville (UofL) Health is

a fully integrated regional academic health system with nine hospitals, a cancer center, an eye institute and nearly 200 clinics serving communities across Kentucky and Southern Indiana. As one of the largest employers in the Louisville area, UofL Health employs more than 14,000 staff with a single mission: to transform the health of the communities it serves through compassionate, innovative, patient-centered care. Today, the UofL Health system is one of the premier health systems in the country with 1,765 licensed beds, including 1,174 acute, 135 rehabilitation and 456 psychiatric beds across its 398 square mile service area. Taken together, UofL Health provides care to 1.5 million patients each year across 100+ different specialties.

## Who University of Louisville Health Serves



UofL Health treats patients of all backgrounds, regardless of their ability to pay. From very densely populated

areas in downtown Louisville to highly rural communities where neighbors might live many miles apart, UofL Health serves a wide geographic area. It also cares for a racially, linguistically and socioeconomically diverse patient population, including a large number of patients who are uninsured or underinsured. In fact, just one-third of the patients UofL Health treats each year are covered by commercial insurance. The vast majority of its patient population is insured through Medicare or Medicaid, which reimburse providers at rates that are much lower than the cost incurred to provide care for those patients. UofL Health also maintains a generous financial assistance program to help cover the costs of care for



patients who cannot afford it — whether that be in the Level 1 Trauma Center, in the emergency room or at one of the system's many specialty care practices.

In 2024, UofL Health provided \$88.8 million in community benefits, including financial assistance to patients who were unable to afford health care.

Overall, Kentucky scores low on a variety of health outcome measures, underscoring some of the challenges UofL Health faces in caring for its community. According to the latest data from America's Health Rankings (United Health Foundation), [Kentucky is #41](#) in the country, [a significant improvement from #47 in 2021](#), but still in the bottom 10 states nationwide, meaning many patients tend to have multiple, chronic, complex needs. Savings generated by the 340B program help UofL Health address these issues and do even more for at-risk and in-need communities.

## 340B Program Benefits

Why is the 340B Drug Pricing Program so crucial for UofL Health? Because it helps offset many of the costs associated with providing care to historically marginalized patient populations, making access to health care possible in areas that would otherwise have little to

no access. UofL Health provides convenient access to affordable medications, made possible with the help of its participation in the 340B program. Additionally, the 340B program allows UofL Health to further stretch its resources, allowing it to invest in and expand clinically critical programs such as:

**Award-Winning Adult Cystic Fibrosis Program** – As one of only two fully accredited adult cystic fibrosis programs in Kentucky certified by the Cystic Fibrosis Foundation, UofL Health is proud to bring a multidisciplinary team together to create individually tailored treatment plans for adults with this serious genetic disorder that affects the lungs, pancreas and other organs. Recognizing that caring for this complex and medically vulnerable patient population is incredibly resource-intensive, UofL Health applies savings from the 340B program directly into its adult cystic fibrosis program, allowing it to provide wraparound services such as nutritional support and respiratory therapy, which often go unreimbursed. This program serves 115 patients each year and helps improve clinical outcomes and quality of life for its participants.

**Multi-Specialty Clinic** – Utilizing 340B savings, UofL Health established a clinic that caters to a wide range of patient needs all under one roof. Specifically, it offers care for burns, bone health, neuroimmunology and specialty infusions for diseases such as inflammatory bowel disease, multiple sclerosis and rheumatic diseases — plus access to social workers, dieticians and pharmacists — in one convenient location. Since many patients with complex illnesses require expensive medications and infusions, UofL Health set up a drug assistance program to help educate patients about their medicines and coordinate access to biologics and other complex specialty drugs.

**Substance use disorder (SUD) services** - Kentucky is one of the states hit hardest by the addiction and drug overdose epidemic. To help save lives and get patients the SUD care they need, UofL Health maintains medical detox and long-acting injection clinics and it operates one of the largest psychiatric hospitals east of the Mississippi

River for patients with emergent behavioral health needs. The 340B program has helped support UofL Health's ability to meet people where they are in high-need communities to offer SUD treatment (including long-acting naltrexone services).

*“The savings afforded by our participation in the 340B program are applied systemwide, allowing us to create and expand innovative programs for our community. Nationwide, hospitals and health systems like ours are putting resources into the system so that 340B benefits are used specifically to meet the needs of patients — just as Congress intended.”*

**Jason Smith MD, PhD, MBA**

Chief Medical Officer of UofL Health

## 340B Hospitals Need Support

Hospitals and health systems like UofL Health can more fully meet the health care needs of the large, diverse populations they serve thanks to savings from the 340B program. This program has become particularly vital in light of rising hospital costs for acquiring drugs, medical supplies, equipment and labor. UofL Health also takes 340B program integrity seriously and has dedicated several full-time staff to ensuring compliance with all 340B rules and regulations including annual external self-audits. UofL Health is an excellent example of why the 340B program works for patients and communities.

Unfortunately, “Big Pharma” and their allies in Washington, D.C. have called for Congress to scale back or dismantle this vital program. Doing so would likely force many 340B hospitals to reduce or discontinue certain services and important patient programs that hospitals regularly operate at a financial loss. The impact to patients and communities would be unequivocally devastating. Therefore, Congress must protect the 340B program so that health systems like UofL Health can continue their mission of providing access to high-quality care and affordable medications for their patients and communities.