Illinois Health and Hospital Association

Only one in 10 Sinai Chicago patients has private health insurance. The rest have coverage through government programs, Medicaid or Medicare, or are uninsured. As one of the largest private safety net provider in Illinois, Sinai considers the federal 340B drug discount program a “safety net in and of itself.”

Because of 340B savings, Sinai:

- Provided over 750 patients with free or steeply discounted medications in 2023, including patients discharged from the hospital without any cash on hand or family support; and
- Can offer expensive drugs like a rare neurological parasite treatment for $50 instead of the $10,000 it would otherwise cost a charity care patient.

The 340B program, which began in 1992, requires pharmaceutical manufacturers to sell outpatient medications at discounted prices to healthcare organizations that care for many uninsured and low-income patients. By saving on drug costs, healthcare organizations have been able to stretch scarce federal resources to serve more patients and provide additional healthcare services.

Sinai’s service area includes 1.5 million people on Chicago’s West and Southwest sides, where poverty rates range between nearly 30% to just over 50%. The health system’s hospitals are Mount Sinai Hospital, Sinai Children’s Hospital, Holy Cross Hospital and Schwab Rehabilitation Hospital.

Sinai has invested 340B savings in specialty clinics, including:

- $250,000 to expand professional clinical staff at its Centers for Diabetes and Endocrinology to include a full-time nurse practitioner, medical assistants, practice manager and pharmacist;
- Over $1 million to expand clinical staff of its Infectious Diseases Clinic, adding a medical assistant, receptionist, pharmacist and specialty pharmacy liaison—a team that ensures patients receive their essential and otherwise expensive HIV and hepatitis C therapies;
- $1.5 million in medication to patients in its Infusion Charity, which serves individuals with few options for oncology care; and
- $1.8 million to improve medication access for 264 individual patients of its Diabetes Center with financial hardship and need.

In addition, Sinai dedicates 340B savings to comprehensive services that enhance patient outcomes, including Meds-to-Beds that dispenses medications to patients without adequate insurance coverage and helps reduce readmission; free home delivery to its pharmacy patients in Chicago and about 50 Chicago suburbs; and medication management services whose pharmacy team works directly with clinicians to address patient barriers to optimal health.

Yet, since 2020, pharmaceutical companies have increasingly restricted drug discounts that have helped fund expanded access to care and new healthcare services—counter to the 340B program’s intent. Some drug manufacturers will not provide 340B pricing unless covered entities like Sinai provide protected patient health information. The most glaring restriction, Sinai noted, is the limitation on where patients can get discounted drugs. In some instances, hospitals are only allowed to contract with one pharmacy for an entire community.

“Obviously, such a policy does not ensure access to essential drugs for a patient population like the one Sinai serves,” the

hospital said. “The threat and fear of 340B program reductions can prevent planned extensions of care and new programs in clinical areas greatly needed in our community that would not otherwise have access to care.”