

THE 340B COALITION

May 15, 2018

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

Dear Speaker Ryan, Minority Leader Pelosi, Majority Leader McConnell, and Minority Leader Schumer:

The 340B Coalition, Ryan White Clinics for 340B Access, and AIDS United, which collectively represent the thousands of safety-net providers that participate in the 340B Drug Pricing Program (“the 340B Program”), write to you today to express our support for 340B. The 340B Program is one of the only federal programs that guarantees discounted drug pricing for safety-net health care providers, which in turn ensures access to affordable, quality health care services, prescription drugs, and improved health outcomes for underserved patients across the country. At a time when Americans are struggling with the high cost of prescription drugs, we are concerned that Congress may consider legislation that would alter the 340B Program without fully appreciating the potential impact it could have on vulnerable patients and the safety-net providers who serve them.

For more than 25 years, the 340B Program has reduced the cost of many outpatient drugs to clinics, hospitals and health systems that serve large numbers of low-income, rural, underserved, and medically vulnerable patients. By requiring drug manufacturers to discount their prices for safety-net providers (“340B covered entities”), the 340B Program allows these providers to meet the stated Congressional intent for the 340B program – “to stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.”¹

While the 340B Program continues to be a small share of the overall drug market, it is vitally important to safety-net providers and their patients. Covered entities use 340B savings in many different ways to meet the individual needs of the patients and communities they serve, including providing free or discounted drugs and other health care services such as chronic care management and HIV care.

¹ H.R. Rep. 102-384(II), 102nd Cong., 2nd Sess. 1992, 1992 WL 239341 (Leg.Hist.).

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Given the importance of this program to safety net providers and the patients they serve, we caution that legislation that includes changes to the 340B Program could negatively impact patients. Efforts to alter the Congressional intent of the law or otherwise dramatically narrow the 340B Program would ultimately decrease access to affordable quality health care for vulnerable populations. Providers in the 340B Program stand on the frontlines of patient care for those in the safety net, and we urge you to stand with them and their patients by protecting the 340B Program and ensure the successful continuation of the critical services it supports.

Thank you and, as always, we stand ready to work with you to protect patient access to affordable medications and health care services.

Sincerely,

The 340B Coalition, including the following organizations:

- National Association of Community Health Centers
- Hemophilia Alliance
- National Alliance of State and Territorial AIDS Directors
- National Coalition of STD Directors
- HIV Medicine Association
- National Association of Counties
- America's Essential Hospitals
- National Rural Health Association
- Children's Hospital Association
- 340B Health

Ryan White Clinics for 340B Access

AIDS United

cc: Senators Lamar Alexander and Patty Murray; Representatives Greg Walden and Frank Pallone