



THE HOSPITAL & HEALTHSYSTEM  
ASSOCIATION OF PENNSYLVANIA



TEXAS HOSPITAL ASSOCIATION



June 9, 2015

The Honorable Fred Upton  
Chairman  
Committee on Energy and Commerce  
U.S. House of Representatives  
2125 Rayburn House Office Building  
Washington, DC 20515

The Honorable Frank Pallone  
Ranking Member  
Committee on Energy and Commerce  
U.S. House of Representatives  
2322A Rayburn House Office Building  
Washington, DC 20515

The Honorable Joe Pitts  
Chairman  
Subcommittee on Health  
Committee on Energy and Commerce  
U.S. House of Representatives  
2125 Rayburn House Office Building  
Washington, DC 20515

The Honorable Gene Green  
Ranking Member  
Subcommittee on Health  
Committee on Energy and Commerce  
U.S. House of Representatives  
2322A Rayburn House Office Building  
Washington, DC 20515

**Re: Support for the 340B program**

Dear Chairman Upton and Pitts and Ranking Members Pallone and Green:

On behalf of our acute, post-acute, and other provider members in your Congressional Districts, we write you today regarding our support for the 340B program.

As you know, Congress created the 340B program more than 20 years ago to ensure safety net hospitals and other providers were able to stretch limited resources to better serve their patients and communities. Since that time, 340B providers around the country have utilized 340B savings to improve services and reduce costs for the neediest of their community's patients. In addition to allowing these safety net providers to reinvest savings in improved care for patients and communities, the 340B program provides significant savings to state and federal governments alike.

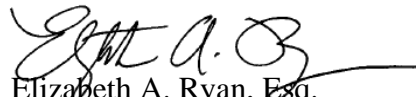
Draft provisions making significant changes to the 340B program were considered for inclusion in the 21<sup>st</sup> Century Cures legislation marked up last month. While we agree that there may be some room to build on improvements to 340B program administration and integrity that have already been implemented by the Health Resources and Services Administration (HRSA), we share significant concerns with the provisions proposed for 21<sup>st</sup> Century Cures inclusion. In particular, proposed policy changes related to contract pharmacy and patient definition as well as the establishment of a covered entity user fee and additional audit and compliance burden could make the program significantly less effective for its provider participants. Moreover, these

proposed provisions would undermine the formal guidance addressing many of these issues that HRSA has worked extensively to develop and is shortly forthcoming.

For these reasons, we thank you for removing the draft 340B provisions from consideration during your Committee's 21<sup>st</sup> Century Cures markup. The goals of 21<sup>st</sup> Century Cures – to encourage medical innovation while improving patient access to groundbreaking cures – are laudable. However, we believe complicated 340B policy changes should be tabled until HRSA has the opportunity to complete its regulatory process, including allowing for public stakeholder input and comments.

Thank you again for your work on 21<sup>st</sup> Century Cures as well as your attention to these important issues for safety net hospitals in your state. We look forward to our continued work together moving forward.

Sincerely,



Elizabeth A. Ryan, Esq.  
President and CEO  
New Jersey Hospital Association



Andy Carter  
President and CEO  
Hospital and Healthsystem Association  
of Pennsylvania



Brian Peters  
CEO-Designate  
Michigan Health and Hospital Association



Ted Shaw  
President and CEO  
Texas Hospital Association