

340B Drug Pricing Program

Issue:

The 340B Drug Pricing Program provides critical support to safety-net, critical access and children's specialty hospitals and cancer treatment centers that offer affordable prescription drugs to financially vulnerable and fragile patients.

Despite the program's proven record of success and the resulting decreased government spending, some want to shrink the program by further limiting participation, resulting in reduced access to affordable drug pricing and the benefits to participating hospitals and the patients they serve.

Background:

Section 340B of the Public Health Service Act requires pharmaceutical manufacturers who participate in the Medicaid program to sell outpatient drugs at discount prices to qualifying hospitals and other healthcare providers who provide care for a large number of low-income patients and rural populations. The program is small, accounting for less than 3 percent of the nearly \$400 billion in annual drug purchases in the U.S. However, it is essential to helping qualified providers stretch limited resources and better serve their patients and communities. The cost controls and resources provided through this program must be protected.

Action Requested:

- **Support H.R. 4392**, bi-partisan legislation to rescind Medicare payment cuts that the Centers for Medicare & Medicaid Services recently imposed on certain hospitals participating in the 340B program.
- **Oppose H.R. 4710, S. 2312 and S. 2453**, all of which significantly reduce the benefits of the 340B program or increase its regulatory burden. These proposals would add additional and burdensome reporting requirements on certain 340B hospitals and in some cases impose a moratorium on new entrants into the program. Yet, they fail to address the lack of transparency from drug manufacturers.
- **Support H.R. 2889**, legislation to eliminate the orphan drug exclusion for certain 340B hospitals.