October 6, 2017

The Honorable Don J. Wright
Acting Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Acting Secretary Wright and Administrator Verma:

The 340B program has been critical to supporting our safety-net providers in helping low-income and vulnerable individuals across the country access affordable, comprehensive health care services for more than 25 years. Hospitals in our states report that this program has enabled them to expand health care services to the community, increase the number of patients they serve, and offset losses in uncompensated care.

We also recognize that work can be done to strengthen the program through targeted clarifications and improvements to ensure it continues to fulfill its purpose with integrity and efficiency.

Nevertheless, hospitals in our states have raised significant concerns regarding the 2018 Medicare Hospital Outpatient Prospective Payment Program’s (OPPS) proposal to reduce Medicare reimbursement to 340B recipients. While the proposal aims to reduce seniors’ cost-sharing for prescription drugs, a laudable goal, we are concerned the proposal could ultimately result in higher beneficiary cost-sharing for other services. Further, 340B providers, particularly in rural communities, are concerned that the proposal would strain already scarce resources.

The long-term success of the 340B program is imperative. As CMS finalizes the 2018 OPPS rule, we implore you to carefully consider stakeholder concerns and feedback, and to act to ensure that reimbursement for 340B providers enables them to continue serving the most vulnerable. We also urge the Department to continue working with stakeholders to ensure the 340B program meets its objectives through proper oversight.

Sincerely,