Illinois Health and Hospital Association

The Honorable Jan Schakowsky
U.S. House of Representatives
2408 Rayburn House Office Building
Washington DC, 20515

Dear Representative Schakowsky:

On behalf of the Illinois Health and Hospital Association's (IHA's) over 100 members participating in the 340B program, we respectfully request your support for the 340B drug discount program. We understand that the Oversight and Investigations Subcommittee of the House Energy and Commerce Committee has scheduled a hearing on Tuesday, June 4 to "learn about recent trends and developments in the 340B drug pricing program." In advance of that hearing, we would like to share information about how our hospitals and their patients and communities benefit from the 340B program.

Background

The 340B program requires pharmaceutical manufacturers participating in Medicaid to provide certain outpatient drugs to covered entities at reduced prices. Covered entities, including eligible hospitals, use these savings to reach more patients and provide comprehensive care, especially in underserved communities across Illinois. This program is more critical than ever, particularly since drug prices are now the most rapidly growing expense for hospitals and their patients.

340B's Importance to Illinois

The 340B program is especially important for Illinois' safety-net hospitals and Federally Qualified Health Centers (FQHCs) that predominantly serve Medicare, Medicaid, and uninsured patients. Illinois' 340B hospitals use their 340B savings to provide affordable drugs to uninsured patients and increase access to healthcare services in underserved communities, among other things. For example:

- Sinai Chicago, a safety net hospital system serving Chicago's West and Southwest Sides, uses their 340B savings to invest in care at specialty clinics, including $1.5 million in medication to patients in its Infusion Center, serving 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;
- Southern Illinois Healthcare, the four-hospital system serving Illinois' southernmost counties, uses its 340B savings to increase access to care to southern Illinois' isolated, rural communities by providing support and services related to behavioral and oral health for low-income patients who seek care in emergency departments; Ascension Illinois uses their 340B savings to both provide free post-discharge medications and chronic disease therapy management to qualified patients, totaling over 10,000 visits annually; and
- University of Chicago Medical Center (UCMC), located in a pharmacy desert, uses its 340B savings to sustain its Medication Access and Affordability program which allows patients to pay a fixed price of $5 or $10 for a 30-day supply of commonly prescribed medications, including inhalers, antimicrobials, antidiabetics, and antihypertensive drugs. UCMC also offers free medication home delivery services to minimize patients' burden in accessing needed medications.

These are just some of the important ways that Illinois' 340B hospitals work to align with Congress' original intent for the 340B program, using programmatic savings to promote access to healthcare services and medications.

Troubling Drug Manufacturer Trends

We welcome the subcommittee's attention to developments in the 340B program. In particular, we urge scrutiny of the trend of drug manufacturers' continued efforts to limit low-income patients' access to the program's benefits. Since 2020, numerous pharmaceutical companies have begun limiting the distribution of drugs acquired through the 340B program via contract pharmacies, such as CVS and Walgreens. By contracting with local pharmacies, 340B hospitals expand access to care by ensuring that necessary medications are available to patients at their local pharmacy. Limiting access to 340Bacquired drugs via contract pharmacies is in contravention of Congress' intent when creating the program and is creating obstacles for both Illinois hospitals and their patients. One Illinois hospital system has reported that pharmaceutical companies have arbitrarily forced them to select just one contract pharmacy within a 40 mile radius of their 340B hospitals, despite the fact that many specialty medications are only dispensed at pharmacies beyond this randomly selected radius. As a result, this hospital system has been unreasonably restricted from helping their patients access critically needed specialty medications at affordable prices. Again, these actions run contrary to the intent of the program which is to increase, not decrease, access to care.

In conclusion, we urge you to oppose any new legislation that would unreasonably restrict this important program and support any legislation that increases access to care, such as permitting continued use of contract pharmacies.

Thank you for your continued support of Illinois hospitals, patients and families. If there is any additional information that you would like regarding the 340B program, please feel free to reach out at any time.

Sincerely,

David Gross
Senior Vice President, Government Relations
Illinois Health and Hospital Association (IHA)

Your trusted voice and resource

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