

September 27, 2019

The Honorable Peter Welch
U.S. House of Representatives
2187 Rayburn House Office Building
Washington, DC 20515

The Honorable David B. McKinley
U.S. House of Representatives
2239 Rayburn House Office Building
Washington, DC 20515

Dear Representatives Welch and McKinley:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations – including 1,966 340B Drug Pricing Program eligible hospitals – the American Hospital Association (AHA) writes to share our support for H.R. 4538, the Closing Loopholes for Orphan Drugs Act.

The current orphan drug exclusion policy prevents 340B eligible critical access hospitals, sole community providers, rural referral centers and free-standing cancer hospitals from purchasing some medically necessary drugs at the 340B price. This bill would allow 340B eligible hospitals subject to the orphan drug exclusion to purchase orphan drugs through the 340B program when the drugs are used to treat an illness other than the rare conditions for which the orphan drug designation was given. The AHA has long supported efforts to allow these 340B eligible hospitals to access 340B pricing as it improves access and quality of care for these hospitals' most vulnerable patients.

For 25 years, the 340B program has provided financial relief from high prescription drug costs to certain health care providers that care for low-income and indigent populations. Hospitals use the 340B savings to provide clinical pharmacy services, financial assistance to patients unable to afford their prescriptions, oncology services and community outreach programs, among others. In an era of ever increasing prescription drug costs, this bill is an important step to ensure 340B hospitals subject to the orphan drug exclusion can obtain lifesaving drugs at a much needed discount so they can stretch limited resources to better serve their communities.

Thank you for leadership on this important issue. Please contact me if you have questions or feel free to have a member of your team contact Aimee Kuhlman, AHA senior associate director of federal relations, at akuhlman@aha.org or (202) 626-2291.

Sincerely,

/s/

Thomas P. Nickels
Executive Vice President

