

March 17, 2021

The Honorable John Thune
United States Senate
511 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Tammy Baldwin
United States Senate
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Rob Portman
United States Senate
448 Russell Senate Office Building
Washington, DC 20510

The Honorable Debbie Stabenow
United States Senate
731 Hart Senate Office Building
Washington, DC 20510

The Honorable Shelley Moore Capito
United States Senate
172 Russell Senate office Building
Washington, DC 20510

The Honorable Ben Cardin
United States Senate
509 Hart Senate Office Building
Washington, DC 20510

Dear Senators Thune, Portman, Capito, Baldwin, Stabenow and Cardin:

On behalf of the American Hospital Association's (AHA) nearly 2,000 340B member hospitals, we write to express our strong support of your legislation, S. 773, to ensure eligible hospitals continue to have access to the 340B Drug Pricing Program throughout the COVID-19 public health emergency. Some 340B hospitals have faced substantial changes in their patient mix throughout the past year and therefore may not meet the requirements to continue participating in the 340B program when continued access to this program remains vital. These hospitals are responding to immense financial and operational challenges posed by the COVID-19 public health emergency and need access to the full 340B program benefits to continue serving their communities.

The 340B program provides reduced pricing on some outpatient pharmaceuticals for eligible providers that care for a large number of low-income and uninsured patients. These savings allow 340B hospitals to stretch their scarce federal resources to provide better access to care, expanding and enhancing health services to the patients and communities they serve. These services include but are not limited to financial assistance to patients unable to afford their prescriptions; funding for other medical services; providing clinical pharmacy services; establishing additional clinics; and creating new community outreach programs.



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Once the COVID-19 pandemic began, some 340B hospitals faced short-term changes in their patient mix as non-urgent services were suspended to create greater inpatient capacity to treat COVID-19 patients and many patients avoided care during the public health emergency. This change has negatively impacted some 340B hospitals' Medicare disproportionate share hospital adjustment percentage and thereby threatens their continued 340B eligibility. S. 773 would allow for previously eligible hospitals to continue to be deemed eligible for the 340B program during the public health emergency. The AHA strongly supports this bill as hospitals should not have their 340B eligibility terminated due to the challenges posed by the pandemic.

The 340B program helps provide eligible hospitals with some certainty during this unpredictable time, and we applaud your continued leadership to protect access to this small but important program. We look forward to working together to resolve this issue.

Sincerely,

/s/

Thomas P. Nickels
Executive Vice President