



August 15, 2018

The Honorable Doris Matsui
United States House of Representatives
2311 Rayburn House Office Building
Washington, DC 20515

Dear Congresswoman Matsui,

ASHP (American Society of Health-System Pharmacists) is fully supportive of H.R. 6071, the “Stretching Entity Resources for Vulnerable (SERV) Communities Act” and is pleased with your continued leadership on preserving the 340B Drug Pricing Program. ASHP represents pharmacists who serve as patient care providers in acute and ambulatory settings. The organization’s 45,000 members include pharmacists, student pharmacists, and pharmacy technicians. For more than 75 years, ASHP has been at the forefront of efforts to improve medication use and enhance patient safety.

ASHP has a longstanding history of support for the federal 340B program, as many of our members serve as patient care providers in hospitals and health systems that are 340B-eligible and have seen, firsthand, the benefits of the program to the patients they serve.¹

At a time when federal budgets are stretched thin, the 340B program helps maximize federal resources while providing access to lifesaving medications. Today, the federal 340B program continues to meet Congress’ original intent “of enabling these entities to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.” Access to primary care, behavioral health services, **pharmacist**-led substance abuse treatment, expanded pharmacy services, provision of naloxone to law enforcement, discounted or free prescription medications, pediatrics, and other services for many uninsured and underinsured are made possible only by the savings realized through the 340B program. In some communities, without the financial savings garnered through the 340B program, there would be limited or no access to healthcare services.

¹ ASHP’s full policy on the sustainability of the 340B Drug Pricing Program is as follows: (1) To affirm the intent of the federal drug pricing program (the “340B program”) to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services; (2) further, to advocate legislation or regulation that would optimize access to the 340B program in accordance with the intent of the program; (3) further, to advocate for clarification and simplification of the 340B program and any future federal discount drug pricing programs with respect to program definitions, eligibility, and compliance measures to ensure the integrity of the program; (4) further, to encourage pharmacy leaders to provide appropriate stewardship of the 340B program by documenting the expanded services and access created by the program; (5) further, to educate pharmacy leaders and health-system administrators about the internal partnerships and accountabilities and the patient-care benefits of program participation; (6) further, to educate health-system administrators, risk managers, and pharmacists about the resources (e.g., information technology) required to support 340B program compliance and documentation; (7) further, to encourage communication and education concerning expanded services and access provided by 340B participants to patients in fulfillment of its mission.

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We believe that the bill would provide additional clarity regarding the congressional intent of the 340B drug-discount program, the definition of a patient under the program, and how covered entities may not be discriminated upon in terms of reimbursement. The provision of healthcare has evolved considerably since the program was enacted over 25 years ago. We support the bill's provisions dealing with program integrity and believe that there is greater parity needed between oversight of covered entities and manufacturers. Further, we believe the goal of greater transparency can be achieved by requiring that HRSA publish the ceiling price website, originally mandated under the Affordable Care Act, displaying manufacturer ceiling drug prices for covered outpatient drugs.

Finally, ASHP supports the reversal of the cut in Medicare reimbursement to 340B-participating hospitals for their purchase of Part B drugs set forth in the Medicare Hospital Outpatient Prospective Payment System (OPPS) rule published in November 2017 and implemented in January 2018. ASHP previously supported H.R. 4392, and we continue to be concerned with the impact that these arbitrary cuts are having on patient access to care. We commend you for including this provision in the SERV Act.

ASHP remains supportive of the 340B program; we believe it is a critical component for safety-net providers to provide care to uninsured and underinsured patients. Safety net providers are especially critical in our nation's rural areas, where access and ability to pay for care are often compromised. We remain committed to working with HRSA and other 340B program stakeholders to ensure that the requirements of the program are being met and that the program functions as intended.

As we have worked with Congress in the past on a number of important public health issues, including drug shortages and compounding, ASHP welcomes the opportunity to be a resource for your office on the federal 340B program. Again, we thank you for your leadership on this crucial program.

A handwritten signature in black ink, appearing to read 'Kasey K. Thompson', is written over a horizontal line.

Kasey K. Thompson, Pharm.D., M.S., M.B.A.

Chief Operating Officer and Senior Vice President