



# 340B HEALTH

The affordable prescription for healthy communities

December 13, 2017

The Honorable Paul D. Ryan  
Speaker of the House  
H-232 The Capitol  
Washington, DC 20515

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
House Minority Leader  
H-204 The Capitol  
Washington, DC 20515

The Honorable Charles Schumer  
Minority Leader  
United States Senate  
Washington, DC 20510

Dear Speaker Ryan and Leaders McConnell, Schumer, and Pelosi,

On behalf of safety net hospitals throughout the country participating in the 340B Drug Pricing Program, we write to urge you to enact legislation to block the significant reduction in drug payments to 340B hospitals under the Medicare Part B Outpatient Prospective Payment System (OPPS) scheduled to go into effect Jan. 1, 2018. If implemented, this payment reduction will cause tremendous disruption and loss of services for low-income and rural patients.

The 2018 Medicare Hospital OPPS final rule published by the Centers for Medicare & Medicaid Services (CMS) will reduce payments to many 340B hospitals by 28.5 percent, which will cause hospitals to cut back on services, close service sites, and let go clinicians and other caregivers. Yet the payment reduction will not save money for Medicare or the seniors it serves. In fact, the \$1.6 billion in drug payment reductions to 340B hospitals will be redistributed in higher payments to hospitals that do not qualify for 340B, including facilities that care for very few low-income patients. The policy will not reduce costs for Medicare patients.

A majority of both chambers of Congress opposed CMS's proposed payment reduction, prior to it being finalized, with 228 Members of the House writing to CMS in opposition and 57 Senators writing to express serious concern. Recently, bipartisan legislation has been introduced in the House of Representatives to stop the payment cuts from going into effect (H.R.4392) and already has over 135 co-sponsors. A bipartisan group of six Senators recently sent a letter to Senate leadership advocating action this year to block the payment reduction. We urge you to take immediate action to prevent this payment reduction from taking effect. We thank you for your leadership.

Sincerely,

Samuel L. Ross, MD, MS  
Chief Executive Officer  
Bon Secours Baltimore Health System  
Chair, 340B Health Board of Directors

Ted Slafsky, MPP  
President and Chief Executive Officer  
340B Health