

## SEN. GRASSLEY INTRODUCES 340B LEGISLATION

Sen. Chuck Grassley (R-Iowa) has introduced legislation to require hospitals to report their aggregate acquisition costs for drugs for which they received a 340B discount and their aggregate revenues from all payers for those drugs.

Senator Grassley's "Ensuring the Value of the 340B Program Act," [S. 2453](#), has been referred to the Finance Committee, which has jurisdiction over the Medicare and Medicaid programs. The senator is a senior Republican on the committee and has a long history of involvement with the 340B program. In [a news release](#), he said his bill "would inject needed transparency in a targeted way into the 340B program." By understanding the difference between what hospitals pay for 340B drugs and revenues received for those drugs, "Congress will be able to assess whether the program is working as intended," he said. The senator also observed in his statement that the 340B statute doesn't require hospitals to report how much charity care they provide to patients. His bill would not impose new charity care-related reporting requirements on 340B hospitals, however.

340B Health raised concerns about the legislation and said in [a statement](#):

"This legislation focuses on only one narrow data point of the 340B program and ignores the care and services provided by 340B hospitals to underserved patients across the country. The bill seeks to require the reporting of certain elements to assess the 'benefit' that a hospital realizes by participating in the 340B program. However, hospitals' savings in the 340B program are determined by comparing what the hospital paid for medications by using the 340B program against what it would have paid in the absence of the program. Further, the information the legislation seeks would paint an incomplete and inaccurate picture of how 340B enables hospitals to meet the purpose of the program – to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services[...] 340B reduces the cost of prescription drugs to hospitals, clinics and health systems that serve low-income and rural patients and, as a result, hospitals and other providers are able to continue their mission to provide care to all regardless of ability to pay. Thus we are concerned that the legislation could threaten access to needed care for patients who rely on 340B providers. Since its enactment, 25 years ago, the 340B program has enjoyed strong, bipartisan support in Congress. We continue to urge lawmakers to come together to discuss the best ways to strengthen the 340B program while not harming the very providers who serve our most vulnerable patient populations."

We are urging 340B Health member hospitals and health systems to oppose the Grassley legislation and will share a draft letter with them shortly.

Meanwhile, Sen. Lamar Alexander (R-Tenn.), chairman of the Senate Health, Education, Labor, and Pensions (HELP) Committee, which has jurisdiction over the 340B program, confirmed to the press last week that his committee plans to hold a hearing on the 340B program in early spring. In addition, the House Energy and Commerce Committee may begin considering legislation, but the timing is not yet clear.

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