

April 11, 2023

The Honorable Dusty Johnson
United States House of Representative
1714 Longworth House Office Building
Washington, DC 20515

The Honorable Abigail Davis Spanberger
United States House of Representatives
1431 Longworth House Office Building
Washington, DC 20515

Dear Representatives Johnson and Spanberger:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our clinician partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) is pleased to support your legislation, the Preserving Rules Ordered for The Entities Covered Through (PROTECT) 340B Act of 2023. This bill represents long-needed legislation that would prevent pharmacy benefit managers (PBMs) and health insurance companies from siphoning off savings from the 340B Drug Pricing Program that were meant to help health care organizations that care for many uninsured and low-income patients.

For over thirty years, the 340B Drug Pricing Program has allowed eligible hospitals and other eligible providers, collectively called covered entities, to purchase outpatient drugs at a discount and use those savings to stretch limited federal resources and expand healthcare services to the patients and communities they serve. Taking advantage of the demonstrated success of this program, PBMs and insurance companies have implemented several policies discriminating against 340B covered entities, which include providing lower reimbursement rates and steering patients away from 340B pharmacies to certain pharmacies that are owned by the health insurance company. These policies have had a negative impact on 340B hospitals' ability to provide additional services to the patients and communities they serve.

Your bill, the PROTECT 340B Act, would prevent PBMs and insurance companies from establishing discriminatory payment policies and therefore ensure 340B savings are used for improving access to quality care for more communities as Congress intended.

We thank you for your strong leadership, and we stand ready to work with you to ensure enactment of this important legislation.

Sincerely,

/s/

Lisa Kidder Hrobsky
Senior Vice President, Advocacy and Political Affairs

