



April 25, 2018

The Honorable Tony Cardenas
United States House of Representatives
1510 Longworth House Office Building
Washington, DC 20515

Dear Representative Cardenas,

We proudly represent leading organizations providing vital health care and community services and resources to patients, providers and related stakeholders in the Golden State. Together, we serve a large portion of Californians on an annual basis – from patient care, to local health services to enhancing the quality of life of underrepresented and uninsured populations. Today, we are writing on behalf of our collective organizations to urge you to support common sense improvements to the 340B drug discount program and urge your support H.B. 4710, called the “340B Protecting Access for the Underserved and Safety-Net Entities Act,” or 340B PAUSE Act.

As you’re aware, the 340B drug discount program was created by Congress twenty-five years ago with the best intentions but is not reaching the very individuals it set out to serve: vulnerable or uninsured populations across the United States. The program requires pharmaceutical manufacturers to provide steep discounts on outpatient medications to qualifying “covered entities,” such as community health clinics, treatment centers, rural clinics, and disproportionate share hospitals.

Some examples of organizations within your district that qualify as these “covered entities” include:

- Olive View Medical Center
- Providence Holy Cross Medical Center
- Valley Presbyterian Hospital

The good news about the 340B program is that, when used as intended under the law, it creates better health outcomes for needy patients by increasing access to outpatient medications for the entities providing care to these populations.

The bad news, however, is that poor oversight and lack of clear program rules have led to rapid expansion of the program. It is not clear that vulnerable or uninsured patients, including many Californians, are benefiting from this expansion. Today, Disproportionate Share Hospitals (DSH), which are only about 9 percent of 340B entities, represent 80 percent of sales associated with the 340B drug discount program, and they are rapidly expanding.

Our associations and members are gravely concerned and outraged with the current circumstances. As patient and provider organizations that work diligently to help those in need with high quality, affordable, accessible services and resources every day, we are outraged to learn that some of the 340B participating entities are not using the funds to provide greater access to outpatient medications for needy communities.

But there is, in fact, an opportunity for you and fellow members of Congress to remedy this maligned and abused 340B program – by supporting common sense legislative proposals including the 340B PAUSE Act. The 340B PAUSE Act will:

1. Put a two-year temporary pause on new enrollment of Disproportionate Share Hospitals (DSH) and any new offsite facilities of these hospitals in the 340B program. The two-year moratorium gives Congress and the Health Resources and Services Administration (HRSA), the federal agency that oversees the program, an opportunity to analyze how these hospitals use 340B funds and to ensure the program is helping underserved communities gain access to healthcare services.
2. Improve reporting requirements including requiring basic data reporting from hospitals, similar to the data reporting requirements of other 340B participants, to ensure funds are being used to help those who truly need it.
3. Strengthen government oversight through the Government Accountability Office (GAO) and Office of Inspector General (OIG) and increase transparency of the newly reported data by making most data publicly available.

It is important to note that this legislation does not place additional burdens or restrictions on Ryan White HIV/AIDS clinics, family planning clinics, Rural Health Centers, or other program grantees.

We hope that we can count on your commitment to modernizing the 340B drug discount program to make sure it delivers on public health objectives, improves outcomes for needy patients and is sustainable for years to come. Patients and families, be it those confronting serious life challenges within our care or any others in California and the nation, deserve nothing less than premium care, attention and resources to give them hope for a better, healthier tomorrow. We believe the 340B PAUSE Act will help meet these objectives and ask that you support this legislation.

We are available and happy to meet with you or your staff to further discuss this issue – and its impact in your district and nationally – anytime if you desire. Thank you for your consideration in support of the 340B PAUSE Act which will help remedy the 340B program so that it reaches and helps those who truly need and deserve those vital medications and resources.

Sincerely,



Bill Remak, B. Sc. MT, B. PH., SGNA, AHCI
Chairman, California Hepatitis C Task Force
Chair, International Association of Hepatitis Task Forces





American Medical Women's Association
 Eliza Lo Chin, Executive Director
 American Medical Women's Association



Tiffany Westrich-Robertson, CEO & Director of Engagement
 International Foundation For Autoimmune & Autoinflammatory Arthritis



Mariana Lamb, Executive Director
 Medical Oncology Association of Southern California



Derrell Kelch, President
 California Association of Area Agencies on Aging



California Health Collaborative
 Stephen Ramirez, President & CEO
 California Health Collaborative



William Remak, Chairman
 International Association of Hepatitis Task Forces



Shane Desselle, President
 Applied Pharmacy Solutions



Marcia Horn, President & CEO
 ICAN, International Cancer Advocacy Network



Kay Sirianni, Account Manager, Client Services
 Legacy Health Strategies