



A Passionate Voice for Compassionate Care

June 26, 2019

Committee on Health, Education, Labor and Pensions
United States Senate
Washington, D.C. 20510

Dear Senator:

On behalf of the Catholic Health Association of the United States (CHA), the national leadership organization of more than 2,200 Catholic health care systems, hospitals, long-term care facilities, sponsors, and related organizations, I am writing to express our strong opposition to the amendment being considered to S. 1895, Lower Health Care Costs Act, that would significantly harm hospitals participating in the 340B drug discount program and the communities they serve.

Congress created the 340B program as a response to the high pharmaceutical costs faced by safety net hospitals. The intent was “to stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.” To participate in the 340B program, hospitals must provide a significant level of care to low-income patients or serve rural communities. In 2015 340B hospitals of all types provided \$23.8 billion in uncompensated care¹ and \$51.7 billion in total benefits to their communities.² 340B disproportionate share hospitals account for only 38 percent of all Medicare acute care hospitals but they provide nearly 60 percent of all uncompensated care. They are also much more likely than non-340B hospitals to offer vital health care services that are often under-reimbursed, including trauma centers, HIV/AIDS services, outpatient alcohol/drug abuse services and immunizations.³

CHA and its members are strong supporters of transparency in the 340B program. That is why we have endorsed the AHA's 340B Good Stewardship Principles and our members are committed to sharing information on how they use 340B savings to help their communities. The onerous requirements of this amendment, however, will not help that effort or contribute to lower costs for consumers but instead would harm the hospitals and communities that rely on 340B savings for crucial health services.

CHA strenuously opposes efforts to scale back, significantly reduce the benefits of, or expand the regulatory burden of the 340B program. It is of utmost importance that the 340B program be maintained and improved. The savings from the 340B program allow safety net and rural hospitals to serve their patients and communities in many ways, according to local need. Many

¹ AHA 2015 Annual Survey Data

² AHA 340B Community Benefit Analysis, March 2018, accessed at <https://www.aha.org/system/files/2018-03/340b-community-benefit-analysis.pdf>

³ L&M Policy Research, Analysis of 340B Disproportionate Share Hospital Services to Low-income Patients (March 12, 2018)

Catholic hospitals rely on 340B savings, for example, to run free and low-cost clinics; to provide infusion and other services in remote or low-income areas; to offer generous financial aid policies as well as programs that provide low-cost or free prescriptions; to maintain critical services that operate at a loss; and to support community benefit programs meeting the identified needs of their service areas. The 340B program plays a crucial role in providing access to health care in the communities served by the ministry.

In closing, we urge you to oppose the 340B amendment to S. 1895.

Sincerely,

A handwritten signature in cursive script that reads "Sr. Carol Keehan". The signature is written in black ink and is positioned above the typed name.

Sr. Carol Keehan, DC
President and CEO