



A Passionate Voice for Compassionate Care

June 11, 2018

The Honorable Doris Matsui
United States House of Representatives
Washington, DC 20515

Dear Representative Matsui:

On behalf of the Catholic Health Association of the United States (CHA), the national leadership organization of more than 2,000 Catholic health care systems, hospitals, long-term care facilities, sponsors, and related organizations, I am writing in support of your legislation, the “Stretching Entity Resources for Vulnerable (SERV) Communities Act,” H.R. 6071, which makes important improvements to the 340B drug discount program.

Section 340B of the Public Health Service Act requires pharmaceutical manufacturers to sell outpatient drugs at discounted rates to safety net hospitals and other health care facilities serving low-income, vulnerable communities or remote rural area. Congress’ intent in creating the program, which your bill reaffirms, was “to stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.”

With the savings from the 340B program, safety net and rural hospitals have additional needed resources to serve their patients and communities in many ways, according to local need. Many Catholic health ministry hospitals rely on 340B savings to, for example, 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.

Your bill includes several provisions to safeguard the integrity of the 340B program. Unfortunately, manufacturer overcharges are a significant and continuing problem. The SERV Communities Act would require that manufacturers be audited for compliance at the same rate as covered entities. It would also require prompt implementation of

The Honorable Doris Matsui
July 11, 2018
Page 2 of 2

of a secure web-based pricing system to allow hospitals to confirm they are being charged the right price and a finalized rule to assess civil monetary penalties against manufacturers that knowingly or intentionally overcharge for 340B drugs.

CHA has strongly opposed the \$1.6 billion reduction in reimbursement for 340B drugs in the Medicare Outpatient Prospective Payment System (OPPS) and we are grateful that your bill would restore those cuts.

Thank you, Representative Matsui, for introducing the SERV Communities Act and for your long-standing support for the 340B program and the people and communities it benefits.

Sincerely,

A handwritten signature in black ink that reads "Michael Rodgers". The signature is written in a cursive style with a long horizontal flourish at the end.

Michael Rodgers
Senior Vice President
Public Policy and Advocacy