

March---, 2024

Then Honorable Mike Johnson  
Speaker  
United States House of Representatives  
Washington, DC 20515

The Honorable Chuck Schumer  
Majority Leader  
United States Senate  
Washington DC 20510

The Honorable Hakeem Jeffries  
Democratic leader  
United States House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Republican leader  
United States Senate  
Washington, DC 20515

Dear Speaker Johnson, Leader Jeffries, Leader Schumer, and Leader McConnell:

On behalf of the undersigned organizations, we are pleased to join with safety net advocates to endorse H.R. 7635, the *340B Pharmaceutical Access To Invest in Essential, Needed Treatments & Support Act (340B PATIENTS Act)*, legislation introduced by Rep. Doris Matsui (D-CA) to protect our nation’s safety net by prohibiting drug manufacturer ability to restrict the 340B program and access to care.<sup>i</sup>

Enacted in 1992, 340B is essential to providing access to care for America’s safety net. The program requires drug manufacturers to sell outpatient drugs to healthcare providers serving low-income and rural populations at a discount as a precondition to manufacturers having pharmaceuticals covered under Medicaid and Medicare Part B. These safety-net providers, referred to as “covered entities”<sup>ii</sup>, use their 340B drug savings to serve more patients and provide healthcare services at no additional cost to the government.

**340B providers are a critical part of the safety net:**

- Providers, including public and non-profit hospitals, federally qualified health centers, Ryan White HIV/AIDS clinics, family planning clinics, and others, qualify for 340B discounts by treating high volumes of low-income or rural populations. Healthcare providers treating high volumes of Medicaid patients also rely on their 340B savings to maintain access and address inherent inequities in care.
- 340B providers are a significant source of care for people enrolled in Medicaid. 340B disproportionate share (DSH) hospitals **account for over [three-fourths \(77%\)](#) of Medicaid services and provide over 67% of all uncompensated and unreimbursed care in 2020.**<sup>iii</sup>
- 340B hospitals are at the [forefront](#) of advancing health equity through targeted initiatives and services for historically marginalized communities, including mobile clinics to address transportation challenges, community-based maternal health initiatives, language translation support, and other community health services.
- A strong safety net includes preserving and protecting 340B – critical resources to support communities in need.

340B hospitals are essential in meeting the needs of low-income and underserved patients with chronic illnesses. The savings provided to hospitals treating high volumes of low-income patients enable hospitals to offer more comprehensive services and treat more patients. However, these services and interventions remain at risk if drug manufacturers undercut 340B through aggressive actions restricting contract pharmacies. The restrictions imposed by pharmaceutical manufacturers target drugs that yield \$8.4 billion annually in savings intended for patient care, thereby stripping the hospital safety net of critical resources.<sup>iv</sup>

We urge Congress to prevent manufacturers from restricting access to care and protect the safety net. The *340B Pharmaceutical Access To Invest in Essential, Needed Treatments & Support Act (340B PATIENTS Act)* will protect the safety net, prevent pharmaceutical manufacturers from refusing to deliver eligible medications and prescribed therapies through a covered entity's contract pharmacies, and prohibit manufacturers from imposing conditions on a hospital's ability to access eligible drugs.

We commend Rep. Matsui for her leadership in introducing the 340B PATIENTS Act, and collectively, we urge Congress to enact this legislation as soon as possible to protect America's safety net.

Sincerely,

[Undersigned Org's]

CC: The Honorable Cathy McMorris Rodgers, Chair, House Energy and Commerce Committee  
The Honorable Frank Pallone, Ranking Member, House Energy and Commerce Committee  
The Honorable Bernie Sanders, Chairman, Senate HELP Committee  
The Honorable Bill Cassidy, Ranking Member, Senate HELP Committee  
The Honorable Ron Wyden, Chairman, Senate Finance Committee  
The Honorable Mike Crapo, Ranking Member, Senate Finance Committee  
Members of the U.S. House of Representatives and U.S. Senate