

Stretching Entity Resources for Vulnerable (SERV) Communities Act Statements of Support

340B Health:

“On behalf of the more than 1,300 safety-net hospitals and systems it represents, 340B Health thanks Congresswoman Matsui for her leadership in introducing the Stretching Entity Resources for Vulnerable Communities Act.

This legislation is essential to the success of the 340B program in helping safety net providers meet the health needs of low-income and rural patients across the country. By holding pharmaceutical manufacturers accountable for their actions and providing pricing transparency to the thousands of safety-net providers that participate in the program, the SERV Communities Act will reduce costs and expand access to needed care.

Pharmaceutical manufacturers have deflected concerns regarding pricing transparency for too long. As a result, purchasers have had to simply accept what was offered and trust that they were being treated fairly. Clear, documented evidence has shown a pattern of overcharging for 340B covered drugs, yet rules to curb those practices have been delayed time and time again. The Congresswoman’s legislation says ‘enough is enough’ and requires the administration to move forward with assessing civil monetary penalties against manufacturers that overcharge providers and to share 340B prices with providers so they can see when they are being overcharged.

We are pleased that the bill would reverse the misguided cut in Medicare Part B payments to 340B hospitals that are weakening providers’ ability to continue to fulfill their mission. The legislation also makes a number of improvements to the 340B program that will provide greater transparency for manufacturers and safety net providers. The 340B program is critical for safety net hospitals. Review of extensive data reported every year by hospitals reveals that 340B hospitals provide 60 percent of all uncompensated care in the U.S. despite being only 38 percent of acute care hospitals. Data reported by hospitals also shows that an average of 42 percent of patients served by 340B hospitals qualify for either Medicaid or Medicare. We are delighted to offer our full support.”

California Hospital Association:

“The SERV Act will ensure that hospitals and other safety-net providers can continue to stretch limited financial resources to best serve their patients and communities. The savings gleaned from the 340B program allow hospitals to make critical, cost-effective investments in public health to improve their patients’ health. Using the savings from this drug discount program, hospitals can provide free or discounted drugs and therapies to low-income patients with chronic disease. Consistent access to these drugs slows the progression of the disease, improves the patient’s quality of life and reduces overall medical costs,” - ***Carmela Coyle, President & CEO, California Hospital Association***

Association of American Medical Colleges:

“For more than two decades, the 340B drug pricing program has been a lifeline for safety net providers and the vulnerable patients and communities they serve. We applaud Rep. Matsui for introducing legislation that will strengthen the program for years to come. We look forward to working with lawmakers to help move this important bill forward.” - ***AAMC President and CEO Darrell G. Kirch, MD***

Ryan White Clinics for 340B Access:

"RWC-340B is also especially pleased to see the legislation include a prohibition on private payers reimbursing less for 340B drugs than for other drugs, commonly referred to as discriminatory reimbursement," **said Brian Rasmussen, Pharmacy Director, One Community Health in Sacramento, California.** Pharmacy benefit managers, managed care plans, and other third party payers are increasingly usurping the benefit of the 340B program from Ryan White clinics by reimbursing for 340B drugs well below the payers' non-340B rates and by establishing other discriminatory terms in their pharmacy participation agreements. "Left unchecked, discriminatory reimbursement will greatly reduce, if not eliminate, the benefit of the discount for Ryan White clinics, thereby undermining the purpose of the 340B program," said Rasmussen. He added, "Congress intended the benefits of the 340B program to accrue to 340B covered entities, not to payers that do not have the same safety-net mission."

America's Essential Hospitals:

"We greatly appreciate Rep. Matsui's leadership on behalf of the 340B program. Her bill honors Congress' original intent for the program, provides badly needed relief for hospitals that care for vulnerable Americans, and fills a void of manufacturer accountability to strengthen program integrity," - **CEO, Bruce Siegel, MD, MPH**