



United States Senate
WASHINGTON, DC 20510-0905

December 5, 2017

The Honorable Mitch McConnell
Senate Majority Leader
S-230, U.S. Capitol
Washington, DC 20510

The Honorable Chuck Schumer
Senate Minority Leader
S-221, U.S. Capitol
Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Schumer,

As supporters of the 340B program, we have serious concerns with the Centers for Medicare and Medicaid Services' (CMS) 2018 Medicare Hospital Outpatient Prospective Payment Program System (OPPS) final rule, which changes Medicare reimbursement for 340B hospitals to 22.5 percent less than the average sales price for separately payable drugs, rather than the current rate of average sales price plus 6 percent, effective January 1, 2018. As talks continue on end of the year packages, we urge you to work with us to prevent these cuts.

The 340B program has been critical to supporting safety-net providers in helping low-income and vulnerable individuals across the country access affordable, comprehensive health care services for more than 25 years. Hospitals in our states report that this program has enabled them to expand health care services to the community and increase the number of patients they serve.

Following the publication of the OPPS proposed rule in July 2017, we and 51 of our Senate colleagues wrote to CMS to express concerns with the proposal and the need to ensure that Medicare reimbursement remains sufficient for 340B providers to continue serving the nation's most vulnerable. The letter is enclosed for your reference. Unfortunately, CMS ultimately finalized its proposal to reduce reimbursement to 340B providers, and determined that it would distribute savings to all hospitals paid under the OPPS, including hospitals that do not qualify for the underlying 340B program.

We recognize there are opportunities to strengthen the program through targeted clarifications and improvements to ensure it continues to fulfill its purpose with integrity and efficiency, and are willing to work with stakeholders to find productive solutions in this space. However, with a January 1, 2018 start date and over half of the Senate and half of the House of Representatives having expressed concerns with CMS' rule, we request your help in ensuring the long-term sustainability of the 340B program by preventing these changes in an end of the year package.

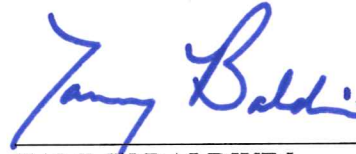
We look forward to partnering with CMS and other stakeholders to ensure the 340B program continues to support safety-net providers in helping low-income individuals access quality health services with proper oversight and transparency.

Sincerely,


JOHN THUNE
United States Senator


BILL NELSON
United States Senator


ROB PORTMAN
United States Senator


TAMMY BALDWIN
United States Senator


SHELLEY MOORE CAPITO
United States Senator


DEBBIE STABENOW
United States Senator

Enclosure

cc: The Honorable Orrin Hatch, Chairman, Senate Finance Committee
The Honorable Ron Wyden, Ranking Member, Senate Finance Committee
The Honorable Lamar Alexander, Chairman, Senate Health, Labor, Education, and Pensions Committee
The Honorable Patty Murray, Ranking Member, Senate Health, Labor, Education, and Pensions Committee

United States Senate
WASHINGTON, DC 20510

October 6, 2017

The Honorable Don J. Wright
Acting Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Acting Secretary Wright and Administrator Verma:

The 340B program has been critical to supporting our safety-net providers in helping low-income and vulnerable individuals across the country access affordable, comprehensive health care services for more than 25 years. Hospitals in our states report that this program has enabled them to expand health care services to the community, increase the number of patients they serve, and offset losses in uncompensated care.

We also recognize that work can be done to strengthen the program through targeted clarifications and improvements to ensure it continues to fulfill its purpose with integrity and efficiency.


Nevertheless, hospitals in our states have raised significant concerns regarding the 2018 Medicare Hospital Outpatient Prospective Payment Program's (OPPS) proposal to reduce Medicare reimbursement to 340B recipients. While the proposal aims to reduce seniors' cost-sharing for prescription drugs, a laudable goal, we are concerned the proposal could ultimately result in higher beneficiary cost-sharing for other services. Further, 340B providers, particularly in rural communities, are concerned that the proposal would strain already scarce resources.

The long-term success of the 340B program is imperative. As CMS finalizes the 2018 OPPS rule, we implore you to carefully consider stakeholder concerns and feedback, and to act to ensure that reimbursement for 340B providers enables them to continue serving the most vulnerable. We also urge the Department to continue working with stakeholders to ensure the 340B program meets its objectives through proper oversight.

Sincerely,



JOHN THUNE
United States Senator



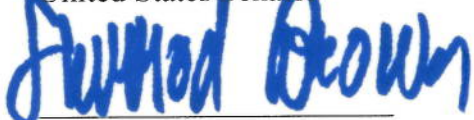
ROB PORTMAN
United States Senator



SHELLEY MOORE CAPITO
United States Senator



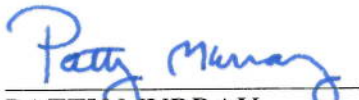
JOHN HOEVEN
United States Senator



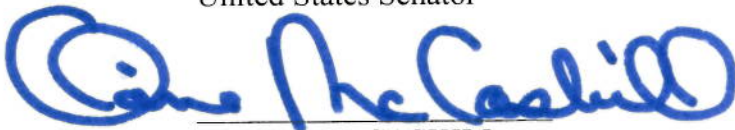
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STEVE DAINES
United States Senator



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United States Senator



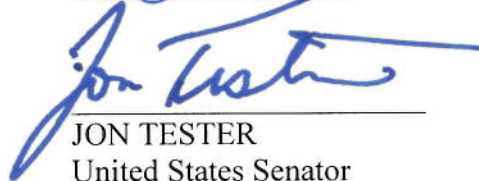
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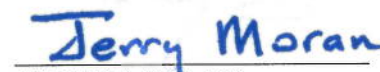
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CORY GARDNER
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RICHARD BLUMENTHAL
United States Senator



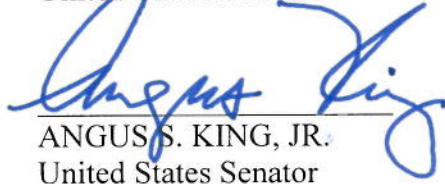
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United States Senator



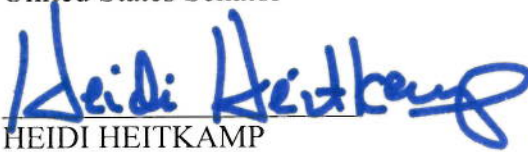
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United States Senator



MARGARET WOOD HASSAN
United States Senator



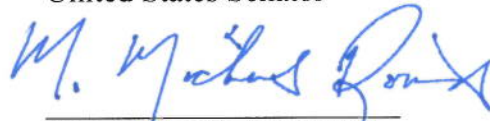
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United States Senator



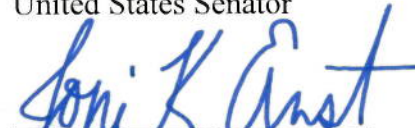
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