



**Association of
American Medical Colleges**
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aamc.org

July 13, 2020

The Honorable John Thune
United States Senate
511 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Tammy Baldwin
United States Senate
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Debbie Stabenow
United States Senate
731 Hart Senate Office Building
Washington, DC 20510

The Honorable Shelley Moore Capito
United States Senate
172 Russell Senate Office Building
Washington, DC 20510

The Honorable Rob Portman
United States Senate
448 Russell Senate Office Building
Washington, DC 20510

The Honorable Ben Cardin
United States Senate
509 Hart Senate Office Building
Washington, DC 20510

Dear Senators Thune, Stabenow, Portman, Baldwin, Capito, and Cardin:

On behalf of the Association of American Medical Colleges (AAMC), I am writing to offer our support and thanks for the introduction of S. 4160, bipartisan legislation that would ensure that safety-net hospitals do not lose their eligibility to participate in the 340B Drug Pricing Program during the public health emergency (PHE) due to changes in their patient mix as a result of the COVID-19 pandemic.

The AAMC is a not-for-profit association dedicated to transforming health care through innovative medical education, cutting-edge patient care, groundbreaking medical research, and community collaborations. Its members comprise all 155 accredited U.S. medical schools; nearly 400 major teaching hospitals and health systems; and more than 80 academic societies. Through these institutions and organizations, the AAMC serves the leaders of America's medical schools and teaching hospitals and their 173,000 faculty members, 89,000 medical students, 129,000 resident physicians, and more than 60,000 graduate students and postdoctoral researchers in the biomedical sciences.

The 340B Program allows safety-net hospitals, many of which are teaching hospitals, and other providers that serve a disproportionate number of low-income patients to provide these patients and their communities with access to vital health care services. The program permits these hospitals to leverage discounts from pharmaceutical companies at no cost to the federal government. However, due to changes in patient mix as a result of the current PHE, some of the hospitals that participate in the 340B Program are at risk of losing their eligibility. This would result in a substantial increase in drug costs for hospitals and a reduction in health care services

to patients, all because these providers responded to the COVID-19 pandemic and increased care to their communities.

We are grateful that your bill would address this problem by allowing covered entities to maintain eligibility in the program throughout the PHE even if their Medicare disproportionate share hospital adjustment percentage drops below the current threshold. We also appreciate that 123 colleagues in the House of Representatives signed a bipartisan letter in May urging House leaders to include this policy in the next COVID-19 supplemental bill.

Thank you again for introducing this important legislation to protect patients and communities that are served by 340B safety-net hospitals. Please feel free to contact me or Leonard Marquez (lm Marquez@aamc.org), Sr. Director, Government Relations, if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Karen Fisher". The signature is written in a cursive, flowing style.

Karen Fisher, JD
Chief Public Policy Officer