

July 13, 2022

The Honorable Abigail Spanberger
United States House of Representatives
Washington, DC 20515

The Honorable David McKinley
United States House of Representatives
Washington, DC 20515

Dear Representatives Spanberger and McKinley,

On behalf of the Association of American Medical Colleges (AAMC), I write in support of the “Preserving Rules Ordered for The Entities Covered Through 340B Act of 2021” (PROTECT 304B Act of 2021, [H.R. 4390](#)). This crucial legislation will protect safety-net hospitals and the communities they serve by prohibiting insurers and pharmacy benefit managers (PBMs) from discriminating against organizations that participate in the 340B Drug Pricing Program.

The AAMC is a nonprofit association dedicated to improving the health of people everywhere through medical education, health care, medical research, and community collaborations. Its members are all 155 accredited U.S. and 16 accredited Canadian medical schools; approximately 400 teaching hospitals and health systems, including Department of Veterans Affairs medical centers; and more than 70 academic societies. Through these institutions and organizations, the AAMC leads and serves America's medical schools and teaching hospitals and the millions of individuals employed across academic medicine, including more than 191,000 full-time faculty members, 95,000 medical students, 149,000 resident physicians, and 60,000 graduate students and postdoctoral researchers in the biomedical sciences. In 2022, the Association of Academic Health Centers and the Association of Academic Health Centers International merged into the AAMC, broadening the AAMC's U.S. membership and expanding its reach to international academic health centers.

For 30 years, the 340B Drug Pricing Program has enabled safety-net hospitals, many of which are teaching hospitals, to stretch their financial resources and provide comprehensive health care services and other programs to low-income patients and communities. Hospitals that participate in the 340B program leverage the discounts they receive from pharmaceutical companies to invest in a wide array of services that benefit patients and advance health equity. Examples of the types of programs and services supported by the 340B program include discounted prescription drugs, medication management, supportive housing, and behavioral health services. The 340B program allows safety-net hospitals to provide these vital services at no cost to the federal government.

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Increasingly, PBMs and health insurers have begun to target 340B hospitals and their patients with discriminatory reimbursement terms and conditions. We are grateful that your legislation would address this challenge by prohibiting payers from: reimbursing 340B providers at lower rates than non-340B providers; requiring 340B providers to identify or “tag” 340B dispenses; or refusing to contract with a 340B provider or community pharmacy partner. The legislation would authorize civil monetary penalties on insurers and PBMs that are found to be in violation of these protections.

Thank you for introducing this important legislation to protect the patients and communities served by 340B hospitals. Please contact me or Len Marquez (lmarquez@aamc.org), Senior Director, Government Relations and Legislative Advocacy, if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tannaz Rasouli'.

Tannaz Rasouli, MPH
Acting Chief Public Policy Officer
Association of American Medical Colleges

CC: David J. Skorton, MD
President and CEO
Association of American Medical Colleges