

April 26, 2023

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

The Honorable Dusty Johnson  
United States House of Representatives  
Washington, DC 20515

Dear Representatives Spanberger and Johnson,

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 2023” (PROTECT 304B Act of 2023, [H.R. 2534](#)). This crucial legislation will protect safety-net hospitals and the communities they serve by prohibiting insurers and pharmacy benefit managers (PBMs) from imposing discriminatory payment policies on 340B covered entities.

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 157 U.S. medical schools accredited by the Liaison Committee on Medical Education; 13 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 across academic medicine, including more than 193,000 full-time faculty members, 96,000 medical students, 153,000 resident physicians, and 60,000 graduate students and postdoctoral researchers in the biomedical sciences. Following a 2022 merger, the Alliance of Academic Health Centers and the Alliance of Academic Health Centers International broadened the AAMC’s U.S. membership and expanded its reach to international academic health centers.

For over thirty years, the 340B Drug Pricing Program has enabled safety-net hospitals, many of which are teaching hospitals, to “stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.”<sup>1</sup> The 340B program costs nothing to the taxpayer—the savings come directly from discounts provided by drug manufacturers. 340B hospitals leverage their savings to:

- (1) **Increase access to life-saving medicines** through free or discounted medications, bedside medication delivery, and medication management services;

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<sup>1</sup> <https://www.hrsa.gov/opa>

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- (2) **Provide comprehensive health care**, including high-cost, life-saving specialty care like chemotherapy and immunology services; and
- (3) **Advance health equity** by establishing programs to address the social drivers of health, including medical-legal partnerships, transportation support, and affordable and supportive housing.

Absent the 340B program, many hospitals would be unable to provide these critical programs and services, thereby reducing access to care for patients and communities. In fact, some of our institutions would have to shutter or greatly reduce certain service lines available to these patients.

PBMs and health insurers increasingly target covered entities with discriminatory payment policies, with the aim of capturing 340B program savings and siphoning off essential resources. These practices pose an existential threat to the 340B program, undermining the program's mission to support covered entities in caring for low-income and under-resourced patients. We are grateful that your legislation would address this challenge by prohibiting payers from reimbursing 340B providers at lower rates than non-340B providers. It would authorize civil monetary penalties for insurers and PBMs that are found to be in violation of these protections.

We thank you for your continued championship of the 340B hospitals and the patients and communities they serve. We are confident that this critical legislation would protect and strengthen the 340B program, thereby ensuring that patients can continue to access life-saving health care services.

Please contact me or Len Marquez ([lmarquez@aamc.org](mailto:lmarquez@aamc.org)), Senior Director, Government Relations and Legislative Advocacy, if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Danielle P. Turnipseed". The signature is written in a cursive, flowing style.

Danielle Turnipseed, JD, MHSA, MPP  
Chief Public Policy Officer  
Association of American Medical Colleges

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