November 24, 2026

The Honorable John Thune
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mike Johnson
Speaker of the House
United States House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Democratic Leader
United States Senate
Washington, DC 20510

The Honorable Hakeem Jeffries
Democratic Leader
United States House of Representatives
Washington, DC 20515

Dear Leader Thune, Leader Schumer, Speaker Johnson, and Leader Jeffries:

As Congress works to fund the federal government before the end of the calendar year, we want to thank you for considering policy actions to protect safety-net hospitals across the country, including by preserving and strengthening the 340B Drug Pricing Program. As you know, on Nov. 4, the Centers for Medicare & Medicaid Services finalized the calendar year (CY) 2027 Hospital Outpatient Prospective Payment System (OPPS) final rule, which contains a provision that would significantly reduce Medicare Part B payment for 340B drugs from average sales price (ASP) plus 6 percent to ASP minus 28 percent.[1] While we acknowledge that this is a slightly smaller cut than what was originally proposed (i.e., ASP minus 33.4 percent), we remain deeply concerned about the harmful impact of this nearly $5 and a half billion cut to academic health systems and teaching hospitals, which are the bedrock foundation of our nation's health care safety net, providing critical programs and services that are often unavailable in other settings.

The final rule would disproportionately and inequitably impact AAMC-member teaching hospitals, which account for just 17 percent of impacted hospitals but will experience a nearly $3 billion in reimbursement reduction in one year, assuming over half of the burden of cuts.[2] This policy will exacerbate already negative Medicare margins at a time when teaching hospitals are already grappling with rising financial challenges resulting from inflation, workforce shortages, manufacturer-driven restrictions on the 340B program, and an expected rise in uncompensated care costs. **Given the harmful consequences of such a large cut to academic health systems**

[1] https://www.cms.gov/newsroom/fact-sheets/calendar-year-2027-hospital-outpatient-prospective-payment-system-opps-ambulatory-surgical-center-0

[2] Source: AAMC and Watson Policy Analysis of CY2025 Medicare claims data and CMS's CY2027 OPPS Final Rule Impact file. AAMC membership as of October 2026.
Notes: Fee-for-service Medicare payments only. Estimates apply the finalized 340B drug payment rate of ASP minus 28 percent and the associated 7.5 percent budget neutrality adjustment to Watson Policy Analysis' proposed rule model. This model assumes no volume change compared to the CY2025 reference year and includes a completion factor to adjust for claims run out compared to the data source. Assumes implementation of all other CY2027 finalized policies.

and teaching hospitals, we urge you to pursue legislative action to delay the effective date of this policy for a two-year period.

As a group of **95 academic health system executive leaders** representing institutions that serve millions of Americans, we are directly responsible for ensuring patients' continued access to care while managing complex financial challenges and a difficult regulatory and operational landscape. The health systems and hospitals represented among the list of signatories rely on the 340B program to financially sustain critical programs and services that our communities depend on, like inpatient behavioral health care, level I trauma centers, transplant surgery, and labor and delivery units. Beyond these essential services, our institutions also serve as major referral hubs, accepting the most complex transfer cases from lower acuity settings, such as rural and community hospitals. Because of these unique and highly specialized capabilities, our institutions serve as an indispensable part of the health care safety net, caring for the nation's sickest and most complex patients.

The CY 2027 final rule's Medicare reimbursement cuts for 340B drugs will harm the entire health care system by stripping billions of dollars from non-profit and public 340B hospitals and redistributing them to other providers that do not share the same safety-net and academic missions, such as for-profit hospitals. Because the 340B program enables covered entities to offer a wide array of comprehensive services – including those that operate at a net loss to the hospital – undermining the benefit of the program for these institutions will harm patients' access to essential programs and service lines. This is especially true in a fiscal environment in which health system leaders are already struggling to maintain the same breadth of service offerings and community commitments.

While we understand that Congress has an interest in improving the 340B program, and are broadly supportive of meaningful transparency and accountability for covered entities, we also strongly believe that cutting Medicare payment to 340B hospitals is not the appropriate policy mechanism to achieve these goals. Therefore, we respectfully request that you support a two-year delay in the OPPS rule's payment cuts for 340B-acquired drugs.

Thank you for your attention to these important issues and for your consideration of our points of view.

Sincerely,

Leader Thune, Leader Schumer, Speaker Johnson, and Leader Jeffries
November 24, 2026

Alabama

UAB Health System
Dawn Bulgarella
CEO

University of South Alabama Health System
Natalie Fox, DNP
CEO

Arizona

Banner Health
Benjamin Schwartz, MD
President, Academic Delivery

Banner University Medicine Division Phoenix
Daniel Post
CEO

Banner University Medicine Tucson
Alison Flynn Gaffney
CEO

Arkansas

University of Arkansas for Medical Sciences
Michelle Krause, MD
CEO & Senior Vice Chancellor

California

Cedars-Sinai
Peter Slavin, MD
President & CEO

Loma Linda University Health
Anthony Hilliard, MD
President

California (Cont.)

Memorial Care Long Beach Medical Center
Girdhar Purushotham
CEO

Scripps Health
Chris Van Gorder
President & CEO

Stanford Health Care
David Entwistle
President & CEO

UC Davis Health
Michael Condrin
Interim CEO

UC San Diego Health
Patricia Maysent
CEO

UCLA Health
Johnese Spisso
President, UCLA Health
CEO, UCLA Hospital System

UCSF Health
Suresh Gunasekaran
President & CEO

University of California Health
David Rubin, MD
EVP

University of California Irvine Health
Chad Lefteris
President & CEO

Leader Thune, Leader Schumer, Speaker Johnson, and Leader Jeffries
November 24, 2026

Colorado

Denver Health
Donna Lynne, DrPH
CEO, Denver Health and Hospital Authority

UCHealth University of Colorado Hospital
Tom Gronow, EdD
President & CEO

Connecticut

Yale New Haven Health
Pamela Sutton-Wallace
President & Acting CEO

Delaware

ChristianaCare
Jenn Schwartz
President & CEO

Florida

BayCare Health System
Stephanie Conners
President & CEO

Florida Health Sciences Center
Tampa General Hospital
John Couris
President & CEO
Florida Health Sciences Center

Jackson Health System
David Zambrana, PhD, DNP
President & CEO

Georgia

Emory Healthcare
Joon Lee, MD
CEO

Georgia (Cont.)

Grady Health System
John Haupert
CEO

Wellstar MCG Health
Ralph Turner, DBA
President

Illinois

Loyola Medicine
Loyola University Medical Center
Shawn Vincent
President & CEO, Loyola Medicine

Northwestern Memorial Hospital
Thomas McAfee
President

Rush University System for Health
Robert Higgins, MD
President

University of Chicago Medicine
Mark Anderson, MD, PhD
Dean & EVP for Medical Affairs

University of Illinois Hospital & Clinics
Scott Jones
Interim CEO & COO

Indiana

Indiana University Health
Dennis Murphy
President & CEO

Louisiana

Ochsner Health
Pete November
President & CEO

Maryland

Johns Hopkins Medicine
Johns Hopkins University School of Medicine
Theodore DeWeese, MD
CEO & Dean

Johns Hopkins Health System
Johns Hopkins Medicine
Kevin Sowers
President, Johns Hopkins Health System
EVP, Johns Hopkins Medicine

University of Maryland Medical Center
University of Maryland Medical System
Bert O'Malley, MD
President, University of Maryland Medical Center
EVP, University of Maryland Medical System

University of Maryland Medical System
University of Maryland Medical Center
Mohan Suntha, MD
President & CEO
University of Maryland Medical System

Massachusetts

Beth Israel Deaconess Medical Center
Peter Healy
President

Beth Israel Lahey Health
Kevin Tabb, MD
President & CEO

Boston Medical Center Health System
Alastair Bell, MD
President & CEO

Massachusetts (Cont.)

Mass General Brigham
Anne Klibanski, MD
President & CEO

UMass Memorial Health
Eric W. Dickson, MD
President & CEO

Michigan

Corewell Health East
Lamont Yoder
President

Michigan Medicine
Ganesh Palaputtu, MD
Interim CEO, Michigan Medicine
Interim EVP for Medical Affairs, University of Michigan

Mississippi

University of Mississippi Medical Center
LouAnn Woodward, MD
Vice Chancellor for Health Affairs; Dean of the School of Medicine

Nebraska

Nebraska Medicine
Michael Ash, MD
CEO

University of Nebraska System
Jeffrey Gold, MD
President

Nevada

Renown Health
Brian Erling, MD
President & CEO

New Jersey

RWJBarnabas Health
Mark Manigan
President & CEO

New Mexico

University of New Mexico Hospitals
Kate Becker
CEO

New York

Mount Sinai Health System
Brendan Carr, MD
CEO

New York City Health + Hospitals
Sewit Teckie, MD
SVP & System CMO

NewYork-Presbyterian
Brian Donley, MD
President & CEO

NYU Grossman School of Medicine
NYU Langone Health
Alec Kimmelman, MD, PhD
Dean & CEO

Rochester Regional Health
Richard Davis, PhD
CEO

Stony Brook Medicine
Carol Gomes
CEO, Stony Brook University Hospital
COO, Stony Brook Medicine

Strong Memorial Hospital
Kathy Parrinello, PhD
CEO

New York (Continued)

SUNY Downstate Health Sciences University
Wayne J. Riley, MD
President

University of Rochester Medicine
David Linehan, MD
CEO

Westchester Medical Center Health Network
David Lubarsky, MD
CEO & President

North Carolina

Atrium Health Wake Forest Baptist
Matthew Edwards, MD
President & CEO

Duke University Health System
David Zaas, MD
CEO

ECU Health
Michael Waldrum, MD
CEO & Dean

UNC Health and School of Medicine
Cristy Page, MD
CEO & Dean, UNC Health and School of Medicine

Ohio

Premier Health
Michael Riordan
President & CEO

The MetroHealth System
Christine Alexander-Rager, MD
President & CEO

Ohio (Cont.)

The Ohio State University Wexner Medical Center
John Warner, MD
CEO

UC Health
Cory Shaw
President & CEO

University Hospitals
Cliff Megerian, MD
CEO

University of Toledo Health
Charles Callahan, PhD
EVP for Health Affairs & CEO

University of Toledo Medical Center
Daniel Barbee
CEO

Oregon

OHSU
Shereef Elnahal, MD
President

Pennsylvania

Geisinger Health
Terry Gilliland, MD
President & CEO

Jefferson Health
Joe G. Cacchione, MD
CEO

Lankenau Medical Center
Anna Michelle Brandt
President

Pennsylvania (Cont.)

Main Line Health
Edward Jimenez
President & CEO

Penn Medicine
Kevin Mahoney
CEO

Penn State Health
Michael Kupferman, MD
CEO

Temple University Health System
Abhinav Rastogi
President & CEO

University of Pittsburgh Medical Center
Leslie C. Davis
President & CEO

WellSpan Health
Roxanna Gapstur, PhD
President & CEO

Rhode Island

Brown University Health
Sarah Frost
Chief of Hospital Operations & President
Rhode Island Hospital/Hasbro Children's

Care New England
Michael Wagner, MD
President & CEO

Tennessee

University of Tennessee Medical Center
Keith Gray, MD
President & CEO

Tennessee (Cont.)

Vanderbilt Health
Jeff Balser, MD, PhD
President & CEO

Virginia

Carilion Clinic
Steve Arner
President & CEO

Carilion Medical Center
Michael Abbott, PharmD
President

VCU Health System
Marlon Levy, MD
CEO

University of Virginia Health
Mitchell Rosner, MD
CEO & EVP

Washington

UW Medicine
Timothy Dellit, MD
CEO

West Virginia

West Virginia University Health System
Albert Wright, Jr
President & CEO

Wisconsin

Froedtert Hospital
Austin Reeder
President

Froedtert ThedaCare
Imran Andrabi, MD
President & CEO

UW Health
Alan Kaplan, MD
CEO

Leader Thune, Leader Schumer, Speaker Johnson, and Leader Jeffries
November 24, 2026

cc:

Senate Leadership

The Honorable John Barrasso, M.D. Majority Whip

The Honorable Richard J. Durbin, Democratic Whip

Senate Committee on Finance

The Honorable Mike Crapo, Chair

The Honorable Ron Wyden, Ranking Member

Senate Committee on Health, Education, Labor, and Pensions

The Honorable Bill Cassidy, M.D., Chair

The Honorable Bernie Sanders, Ranking Member

Senate Committee on Appropriations

The Honorable Susan Collins, Chair

The Honorable Patty Murray, Vice Chair

Senate Appropriations Subcommittee on Labor-HHS-Education

The Honorable Shelley Moore Capito, Chair

The Honorable Tammy Baldwin, Ranking Member

House Leadership

The Honorable Steve Scalise, Majority Leader

The Honorable Tom Emmer, Majority Whip

The Honorable Katherine Clark, Democratic Whip

House Committee on Energy and Commerce

The Honorable Brett Guthrie, Chair

The Honorable Frank Pallone, Ranking Member

House Committee on Ways and Means

The Honorable Jason Smith, Chair

The Honorable Richard Neal, Ranking Member

Leader Thune, Leader Schumer, Speaker Johnson, and Leader Jeffries
November 24, 2026

House Committee on Appropriations

The Honorable Tom Cole, Chair

The Honorable Rosa DeLauro, Ranking Member

House Appropriations Subcommittee on Labor-HHS-Education

The Honorable Robert Aderholt, Chair