September 15, 2020

The Honorable Alex Azar  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, DC 20201

Dear Secretary Azar:

On behalf of the Connecticut Hospital Association’s (CHA) 340B member hospitals, we are writing to express our concern with recent actions taken by several major drug manufacturers to limit the distribution of certain 340B drugs to eligible hospitals.

As has been documented through both press accounts and correspondence from the American Hospital Association, several pharmaceutical manufacturers have taken actions that undermine the 340B program and are contrary to both its statutory and regulatory framework. These actions, to interfere with 340B discounts for drugs distributed through contract pharmacy arrangements and superfluous claims data requirements, undermine 340B hospitals’ ability to serve vulnerable communities.

The assistance made possible by the 340B program is felt by communities across our state, but especially important to some of our largest urban centers like Bridgeport, Hartford, New Haven, Stamford, and Waterbury. The health inequity across our country, laid bare by the uneven impact COVID-19 has had on our communities, reinforces the ongoing need for the investments 340B savings allow.

It is clear that the 340B statute requires pharmaceutical manufacturers participating in the Medicaid program to also participate in the 340B program and provide 340B covered entities with access to covered outpatient drugs at or below a ceiling price. Implementing regulatory language compels the same while explicitly sanctioning the use of contract pharmacies; entities, that significantly aid hospitals in managing 340B drug supply.

As such, HHS should act to halt these tactics and require manufacturers to comply with the law.

A well-functioning 340B program is essential to our members that serve vulnerable communities and their work, as the statute describes, to stretch scarce federal resources as far as possible to support essential services for their communities. Actions to undermine the program harm those communities.

We appreciate your consideration.

Sincerely,

Paul Kidwell  
Senior Vice President, Policy

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