

Congress of the United States
Washington, DC 20515

March 15, 2010

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Room H-232
U.S. Capitol
Washington, DC 20515

Dear Speaker Pelosi:

We are writing to express our strong support of restoring a provision extending the 340B drug discount to the inpatient setting and ensuring that more safety net providers can participate in the program in the final version of the health care reform legislation.

More than 800 hospitals nationwide and their patients would save millions of dollars annually from extending the 340B discount to the inpatient setting. These hospitals provide care regardless of a patient's ability to pay for treatment. The savings earned through a 340B inpatient extension would allow these hospitals to improve both access to care and quality of care for our most underserved constituents without costing taxpayers a dime.

In addition to being included in H.R. 3590, the Patient Protection and Affordable Care Act as passed by the Senate on December 24, 2009, the 340B inpatient extension was included in the legislation approved by the House Energy and Commerce Committee last July. Title VII of the health care reform proposal unveiled by President Obama on February 22 also included the 340B inpatient extension.

Extending the 340B discount to the inpatient setting would benefit the new covered entities made eligible for 340B in the Senate passed health care legislation including children's hospitals, cancer hospitals, and certain rural hospitals. The Congressional Budget Office estimates that extending the 340B discount would save the federal government \$1.2 billion over the next 10 years if enacted.

Currently, the 340B program enables hospitals and other providers that serve a large volume of low-income patients to access significant discounts on pharmaceuticals. Although the discounts available through the program are approximately 25 percent lower than what is available through other purchasing arrangements, they are only available for drugs used in an outpatient setting. 340B hospitals are forced to pay significantly more for inpatient pharmaceuticals, amounting to an average of \$1.7 million a year in additional costs per hospital above what they would be paying if those inpatient

drugs could be purchased at 340B prices and the hospitals must devote significant time and resources managing two separate drug inventories to prevent drug diversion. There is no rational policy for requiring safety net hospitals to pay more for inpatient drugs than outpatient drugs.

Additionally, we urge you to include the provision from the House-approved health reform bill (Sec. 2501(a) of H.R.3962) that would qualify safety net providers to participate in the 340B program. The Senate bill seeks to expand the number of facilities that participate in the program, but falls short of meaningful expansion. The reconciliation bill being assembled by the House should include Sec. 2501(a) of H.R.3962.

These changes have broad bipartisan support. Stand-alone legislation expanding the 340B discount program, H.R. 444, currently has 99 cosponsors.

We urge you to include the Senate approved language extending 340B to the inpatient setting in the final health care reform bill to be considered by Congress, and include Sec. 2501(a) of H.R.3962 in the reconciliation bill being assembled by the House. Now is not the time to deprive safety net hospitals from millions of dollars in savings needed to treat the most vulnerable in our communities.

Sincerely,



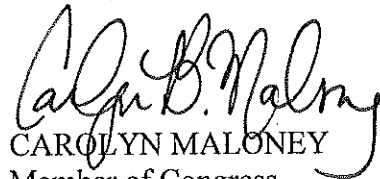
BART STUPAK
Member of Congress



BOBBY RUSH
Member of Congress



KATHY CASTOR
Member of Congress



CAROLYN MALONEY
Member of Congress



JOHN OLVER
Member of Congress



RICK BOUCHER
Member of Congress

Eleanor H. Norton
ELEANOR HOLMES NORTON
Member of Congress

Ron Paul
RON PAUL
Member of Congress

Christopher P. Carney
CHRISTOPHER CARNEY
Member of Congress

Hank Johnson
HANK JOHNSON
Member of Congress

Sanford Bishop
SANFORD BISHOP
Member of Congress

Dennis Moore
DENNIS MOORE
Member of Congress

Lucille Roybal-Allard
LUCILLE ROYBAL-ALLARD
Member of Congress

Marcia Fudge
MARCIA FUDGE
Member of Congress

James Oberstar
JAMES OBERSTAR
Member of Congress

Charles A. Gonzalez
CHARLES GONZALEZ
Member of Congress

Jesse Jackson Jr
JESSE JACKSON JR
Member of Congress

Shelley Berkley
SHELLEY BERKLEY
Member of Congress

C.A. Dutch Ruppersberger
C.A. DUTCH RUPPERSBERGER
Member of Congress

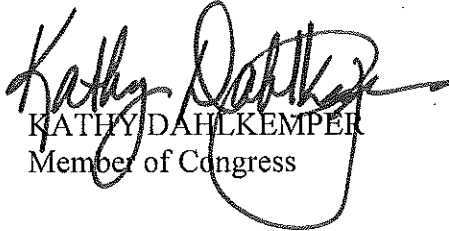
Tim Bishop
TIM BISHOP
Member of Congress



STEVE COHEN
Member of Congress



TAMMY BALDWIN
Member of Congress



KATHY DAHLKEMPER
Member of Congress



LAURA RICHARDSON
Member of Congress



JOHN LEWIS
Member of Congress



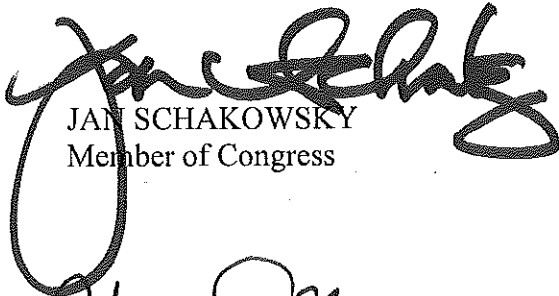
NICK RAHALL
Member of Congress



JERROLD NADLER
Member of Congress



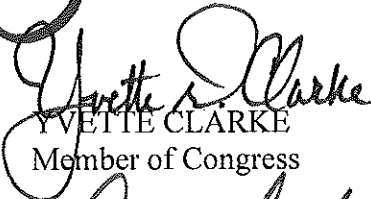
STEVE KAGEN
Member of Congress



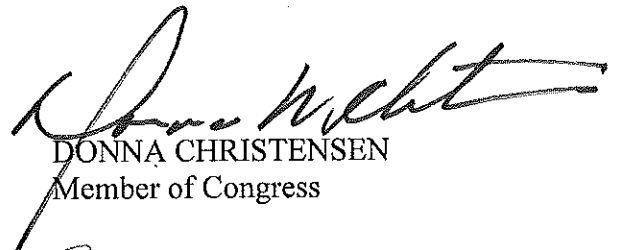
JAN SCHAKOWSKY
Member of Congress



CAROL SHEA-PORTER
Member of Congress



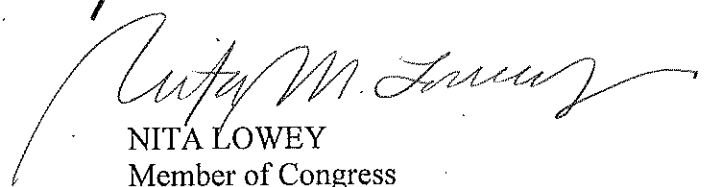
YVETTE CLARKE
Member of Congress



DONNA CHRISTENSEN
Member of Congress



DAVID LOEBSACK
Member of Congress



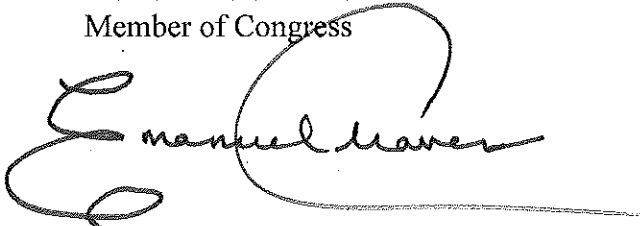
NITA LOWEY
Member of Congress



RUSS CARNAHAN
Member of Congress



STEVEN LATOURETTE
Member of Congress



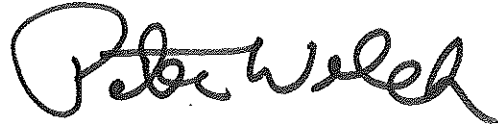
EMANUEL CLEAVER
Member of Congress



BILL OWENS
Member of Congress



DENNIS KUCINICH
Member of Congress



cc: The Honorable Steny Hoyer; The Honorable Henry Waxman; The Honorable John Dingell