August 20, 2021

Honorable David McKinley
Representative
2239 Rayburn HOB
Washington, DC 20515

Re: The Preserving Rules Ordered for The Entities Covered Through 340B Act (H.R. 4390)

Dear Representative McKinley,

On behalf of OCHIN, I offer our strong support of the Preserving Rules Ordered for The Entities Covered Through 340B Act referred to as the PROTECT 340B Act of 2021 (H.R. 4390). OCHIN is a national nonprofit health innovation and research network that serves over 500 community health care sites with 21,000 providers in 47 states, reaching nearly 6 million patients. OCHIN applauds your leadership and effort to ensure that this crucial program continues to provide clinically necessary prescription medication to those who would otherwise lack access. The 340B Program enables community-based providers to ensure that underserved communities and patients who are unable to afford prescription medication receive the care they need, while costing the taxpayer nothing.

For two decades, OCHIN has advanced equitable health care solutions by leveraging the strength of our network’s unique data set and the practical experience of our members to drive health innovation at scale for patients and providers in underserved communities, including rural communities, that are typically under-resourced. As a result, the 340B affordable prescription medication program (340B Program) serves as a critical lifeline in advancing the mission of community health care organizations. Eligible OCHIN members actively participate in the savings available through the 340B Program and utilize the savings to provide care to underinsured or uninsured patients, who may otherwise not have access to needed care. Due to market consolidations, large health plans and their third-party administrators typically are the only option for small, community-based providers participating in the 340B Program. As a result of the foregoing, community-based providers have no alternative option to (1) accepting a reduced amount of the 340B Program savings; (2) acquiescing to limited coverage of drugs purchased under the 340B Program; (3) paying higher administrative service fees relative to the rate charged to other providers; or (4) agreeing to an administrative fee as a percentage of the provider’s 340B savings.

Even with recent federal funding, community-based providers are facing extraordinary resource challenges and need their existing sources of funding to maintain their immediate- and longer-term sustainability. Allowing community-based providers to offer their essential services without onerous conditions limiting their action is key to serving those in the most need. Now, more than ever, it is important that community-based providers maintain predictable funding from state and federal health care programs and deploy funding meant to preserve the care of patients. Your bill will help accomplish this.
H.R. 4390 is an admirable and much needed piece of legislation that will serve to protect and keep healthy the millions of Americans who rely on the 340B Program for their medication. OCHIN lauds you for proposing this legislation and thanks you for taking the time to consider our input. If you have any questions, please contact me at stollj@ochin.org.

Sincerely,

Jennifer Stoll
Executive Vice President
Government Relations & Public Affairs