

Congress of the United States
Washington, DC 20515

December 20, 2017

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives
H-204, The Capitol
Washington, D.C. 20515

Dear Speaker Ryan and Leader Pelosi:

We are writing to you today regarding the Centers for Medicare and Medicaid Service's (CMS) 2018 Medicare Hospital Outpatient Prospective Payment Program System (OPPS) final rule. Effective January 1, 2018, this rule changes Medicare reimbursement for 340B hospitals to reimburse hospitals for Part B drugs at a rate of average sales price minus 22.5 percent, which is what MedPAC estimates to be the minimum 340B discount received by hospitals. This amounts to, essentially, a cut of 28.5 percent of current reimbursement, which amounts to as much as 25 to 40 percent of the 340B program savings hospitals receive.

As you may know, in response to the publication of the OPPS proposed rule in July 2017, 228 Members of the House of Representatives urged CMS to abandon this proposal and expressed the need to ensure that Medicare reimbursement remains sufficient for 340B providers to continue serving our nation's most vulnerable. Unfortunately, CMS ultimately finalized its proposal to reduce reimbursement to 340B providers and determined that it would distribute savings to all hospitals paid under the OPPS.

While we acknowledge the concern over the growth in spending in this program and the need for greater oversight and transparency of such spending, we believe that this rule will be disproportionately devastating to our safety-net hospitals that care for the most vulnerable populations.

As you know, Congress has initiated a review of the 340B program through the Energy and Commerce Committee. We have identified several areas that may need legislative resolution. As we continue our discussions on year-end packages, we respectfully request you consider placing a moratorium on these cuts until Congress has an opportunity to strengthen the program through targeted clarifications and improvements to ensure it continues to fulfill its purpose with integrity and efficiency.

Sincerely,

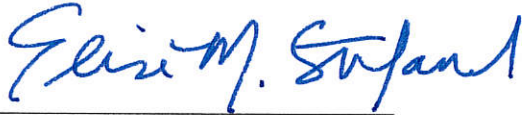
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Member of Congress

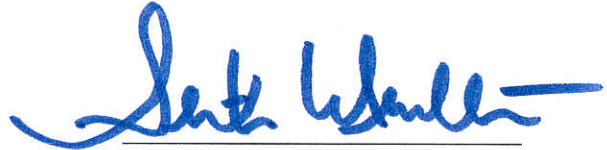
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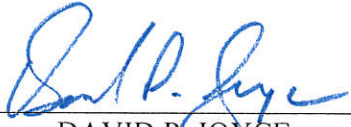
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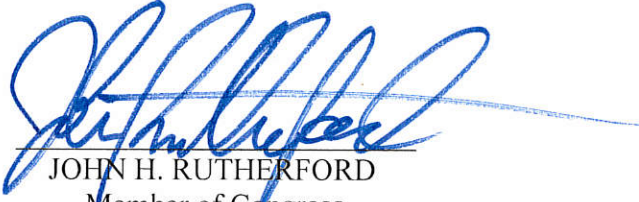
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