

## Rep. Mac Thornberry (TX-13)



#### TEXAS HOSPITALS SUPPORT

- Preserving and sustaining the 340B drug discount program.
- Withdrawing the final rule from the Centers for Medicare & Medicaid Services to cut hospitals' Medicare reimbursement for drugs acquired under the 340B program.
- Immediately implementing CMS' final rule on 340B drug ceiling prices and civil monetary penalties for drug manufacturers.
- Reasonable program integrity efforts to ensure the program remains viable.

Approximately one in four Texas hospitals depends on the federal 340B drug discount program to serve their patients and communities. These hospitals have demonstrated to the U.S. Department of Health and Human Services that they care for a disproportionate share of low-income and Medicaid-insured patients or are a critical access or sole community hospital in an isolated, rural area. Participating hospitals must recertify their eligibility annually and meet numerous program integrity requirements.

Through the 340B program, pharmaceutical manufacturers sell drugs used in these eligible hospitals' outpatient settings at discounted prices. Participating entities can achieve savings of 25 to 50 percent on pharmaceutical purchases. There is no federal spending involved in the 340B program.

The Health Resources and Services Administration, which manages the program, estimates approximately \$6 billion in savings on outpatient drug spending in fiscal year 2015. While critical to hospitals and the low-income patients they serve, these savings represent just 1.4 percent of total drug spending.

Hospitals reinvest 340B savings for a broad range of purposes, including:

- Reducing or eliminating entirely the cost of prescriptions for uninsured and low-income patients.
- Expanding services offered to patients.
- Providing services to more patients.

### **Childress Regional Medical Center**

- 340B program participant since 2005
- \$2.3 million in audited charity care costs
- \$500,000 in 340B savings each year

The discounts provided by the 340B program allow CRMC the financial resources necessary to deliver chemotherapy and dialysis services locally. The 340B discounts are the means by which Childress residents with cancer or kidney disease have access to essential, life-saving treatment close to home.

Without CRMC's provision of these services, patients undergoing chemotherapy would have to endure a 240-mile round trip to the nearest cancer treatment center in Lubbock. Patients requiring dialysis would have to drive to Amarillo three times a week for treatment – a round-trip journey of four hours. The intensity and severity of these treatments means that a patient has to rely on a spouse, adult child or other family member or friend to drive. Having the care locally available spares both the patient additional physical and emotional burdens and logistical challenges for the patient's support network.

Today, 12 patients receive chemotherapy services at CRMC, and 17 receive dialysis.



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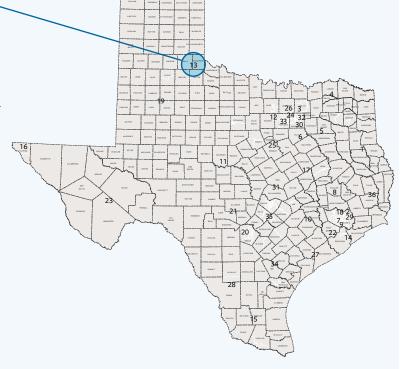
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- Preserving and sustaining the 340B drug discount program.
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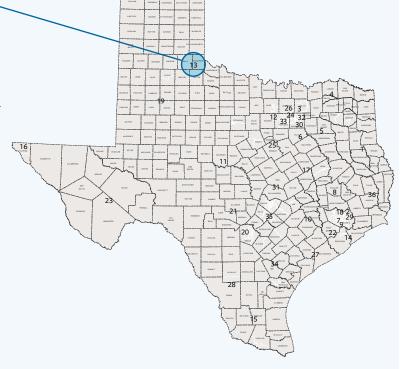
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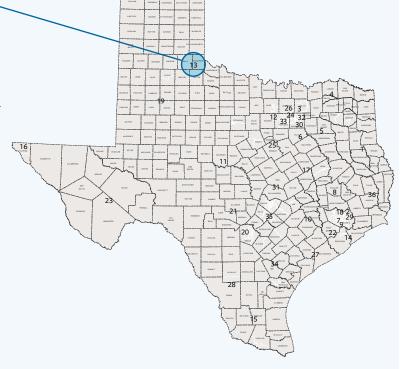
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The Health Resources and Services Administration, which manages the program, estimates approximately \$6 billion in savings on outpatient drug spending in fiscal year 2015. While critical to hospitals and the low-income patients they serve, these savings represent just 1.4 percent of total drug spending.

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