

ONE HUNDRED FIFTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**

COMMITTEE ON ENERGY AND COMMERCE

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November 7, 2017

Dr. Ronald A. Paulus  
President and Chief Executive Officer  
Mission Health  
12 Ardmore Street  
Asheville, NC 28803

Dear Dr. Paulus:

Thank you for appearing before the Subcommittee on Oversight and Investigations on Wednesday, October 11, 2017, to testify at the hearing entitled "Examining How Covered Entities Utilize the 340B Drug Pricing Program."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions with a transmittal letter by the close of business on Tuesday, November 21, 2017. Your responses should be mailed to Ali Fulling, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, DC 20515 and e-mailed in Word format to [Ali.Fulling@mail.house.gov](mailto:Ali.Fulling@mail.house.gov).

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

  
Greg Walden  
Chairman

cc: The Honorable Diana DeGette, Ranking Member, Subcommittee on Oversight and Investigations

Attachment

Attachment—Additional Questions for the Record

The Honorable Morgan Griffith

1. Can you provide your opinion as to why the Disproportionate Share Hospital (DSH) metric, which measures Medicare and Medicaid inpatient stays, is or is not appropriate for use in an outpatient drug program targeting underinsured and uninsured patients?
2. During the hearing, it was clear that covered entities use different definitions for “charity care” and report different data on Medicare forms. Can you provide (1) the data your hospital uses to track charity care, (2) the amount of charity care provided, based on this data, and (3) whether you think this type of charity care metric should be applied uniformly across the program?
3. Would you support a new 340B program requirement that mandates a certain level of charity care?
4. Does your hospital have a policy to treat anyone regardless of ability to pay?
5. During the hearing, you suggested that Congress examine the Schedule H/Community Benefit on IRS Form 990, stating that the information reported on that form may provide “opportunities to define and identify” appropriate reporting requirements. Can you provide more detail about how this IRS form may be used for mandatory reporting in the 340B program?
  - a. Would total unreimbursed care be an appropriate measure of charity care or a separate 340B eligibility metric?
6. Would you support new mandatory reporting/tracking requirements for 340B hospitals to achieve more consistency with respect to program savings?
7. In your written testimony, you noted that you had a compliance issue with patient eligibility because the patient definition has “been elusive and fraught with lack of regulatory clarity.” How would you propose to strengthen the patient definition?
  - a. Would limiting patient eligibility to uninsured patients or patients of a certain income level be an appropriate program change?
8. During the hearing, you stated that contract pharmacies are “viewed as an extension of our own work.” Do you believe all covered entities can make this statement, given the incredibly broad contract pharmacy arrangements managed by some hospitals and the significant distance between the hospital and contract pharmacy?
9. You stated during the hearing that several of your contract pharmacies are mail order or specialty pharmacies, which “haven’t had a dollars’ worth of revenue.” Can you explain why this is the case, considering that contract pharmacies typically receive a dispensing fee for their services?