

Testimony Before the
Subcommittee on Health
Committee on Energy and Commerce
U.S. House of Representatives
“Examining the 340B Drug Discount Program”

March 24, 2015
Statement Submitted By
Ascension

Ascension appreciates the opportunity to provide testimony that is relevant to the Subcommittee’s review of the functionality of the 340B Drug Discount Program, especially its desire to understand how the program is impacting patients, providers and other stakeholders.

Ascension is a faith-based healthcare organization dedicated to transformation through innovation across the continuum of care. As the largest non-profit health system in the U.S. and the world’s largest Catholic health system, Ascension is committed to delivering person-centered care to all with special attention to those who are poor and vulnerable.

Last year, Ascension provided \$1.8 billion in care of persons living in poverty and other community benefit programs. More than 150,000 associates and 35,000 affiliated providers serve in 1,900 sites of care – including 131 hospitals and more than 30 senior care facilities – in 23 states and the District of Columbia.

At the time of the 340B Drug Discount Program’s creation, the stated intent was to permit safety net healthcare providers and other covered entities to “stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.”¹

As a non-profit health system committed to serving all persons with special attention to those who are poor and vulnerable, a number of Ascension Health hospitals rely significantly on this program—as critical access hospitals, sole community hospitals, disproportionate share hospitals, and other covered entities—to serve their communities.

¹ H.R. Rep. No. 102-384(II), 12

Together, we can see, through the patients we serve every day that the 340B Drug Discount Program is delivering on the original Congressional intent.

In support, I offer the following examples:

- **The Seton Healthcare Family, Central Texas**, the leading provider of healthcare services in Central Texas, serving an 11-county population of 1.9 million, has participated in the 340 Program for more than 10 years.
 - Discounts provided by the 340B Program have allowed the organization to provide free drugs to patients (\$750,000 worth in one year alone), maintain six pharmacy-run clinics, which allow pharmacists to provide routine, follow-up care to patients, and support a Coumadin clinic, which would most likely close without funding from 340B.

- **St. Vincent Hospital, Indianapolis, Indiana**, part of St. Vincent Health, is an 873-bed facility that serves patients in Indianapolis and surrounding counties.
 - Without the 340B Program, the hospital's Joshua Max Simon Primary Care Center clinic would not be able to provide its patients the prescription medications they need at a cost they can afford.
 - The 340B discounts also support a diabetes educator, the hospital's *MedSync* prescription coordination system, which automates manual processes in the pharmacy to encourage improved health outcomes for patients with multiple, ongoing medical conditions, and education for pharmacists-in-training on providing the best care to the poor and vulnerable.

- **St. Mary's Warrick Hospital, Boonville, Indiana**, serves a three-county rural community where almost 18 percent of residents have incomes below the poverty line; 32 percent are participating in Medicaid or are uninsured.
 - In 2011, the hospital began using 340B drug pricing in its outpatient infusion clinic and the discounted drug prices amount to an annual program discounts of \$40,000. This clinic provides outpatient infusion medications when a condition is so severe that the patient cannot be treated effectively at home.

- **Via Christi Health, Wichita, Kansas**, the largest provider of healthcare services in Kansas and northeast Oklahoma, became eligible for the 340B Program on January 1, 2012, resulting in 340B discounts of \$1.2 million each year.
 - The 340B Program has helped Via Christi Health expand its programs and services for patients in need; in a single recent year, it provided more than \$145 million in charity care.
 - 340B Program savings have allowed Via Christi to provide free medications to patients who qualify based on income, support a medication assistance program (under which over-the-counter medications are sold at cost), and maintain a medication reconciliation

system that helps prevent adverse drug events and future complications for patients.

- **St. Joseph Health System, Tawas City, Michigan**, which provides primary, secondary and referral for tertiary care to more than 100,000 patients annually, began participating in the 340B Program in July 2012.
 - 340B discounts help support the St. Joseph infusion center, which treats infections that do not respond to oral antibiotics, cancer-related pain, dehydration, and other serious conditions, and a prescription assistance program, which helps financially needy patients obtain medications and supplies at free or reduced cost.

- **Ministry Healthcare, Northern and Central Wisconsin**, comprised of 15 hospitals with 1,600 licensed beds and 46 clinic locations providing more than a million outpatient visits annually, started the 340B Program in 2011 at several of its critical access hospitals.
 - The 340B Program helps Ministry Healthcare maintain numerous programs for poor, underserved, and vulnerable patients, including a Community Care Program at Our Lady of Victory Hospital, which connects low-income residents to social services and provides low-cost prescription drugs, the Affinity Care Program at St. Elizabeth's Hospital, which helps patients who are unable to pay for services and who are not eligible for other governmental assistance programs, and the Diabetes Care Program at Saint Joseph's Hospital, which helps low-income patients with diabetes purchase glucose meters and test strips, and insulin-related supplies.

Together these hospitals rely significantly on the 340B Drug Discount Program to help improve the health of low income patients. It has proven to be a successful and critical program that allows hospitals and other covered entities to help underserved patients with the high cost of prescription drugs.

To preserve this valuable service for those who need it most, Ascension supports good stewardship of the 340B program through compliance and integrity audits. We are grateful that Congress already has directed the Secretary of Health and Human Services to develop systems to improve manufacturer and covered entity compliance and program integrity activities, and adopt administrative procedures to resolve disputes. In addition, for the past few years, the Health Resources and Services Administration has been conducting program integrity audits of covered entities. We believe those quality control efforts will help ensure that the 340B Drug Discount Program continues to fulfill its Congressionally-intended purpose—for all the patients we serve who need it most.