

Committee on Energy and Commerce

**Opening Statement
of
Subcommittee on Health Ranking Member Gene Green
July 11, 2018**

Opportunities to Improve the 340B Drug Pricing Program

Good morning and thank you, Mr. Chairman, for holding today's hearing. I also thank all of our witnesses for coming here to testify on this important issue.

The 340B Drug Pricing Program was created by Congress to help safety net providers care for their most vulnerable patients and afford drugs that would otherwise be out of reach.

Since its creation in 1992, stakeholders and policymakers have debated the intended purpose and appropriate scope of the 340B Program.

I hope we all agree on the importance of 340B and the need to stretch scarce federal resources as far as possible to reach more eligible patients and provide more comprehensive services.

The law does not specify how savings incurred from 340B discounts must be used by covered entities, a point that has been highlighted by both supporters and opponents of the program.

GAO studies have confirmed that large, covered entities use these savings to provide more care to more patients, including medications that would otherwise be unaffordable to those they serve.

For example, Harris Health System, which primarily serves the indigent population of Harris County, Texas, saves \$90 million a year through its participation in the 340B Program.

Harris Health uses savings from the program on patient care services, which include the costs of treatment, administration and management of services and facilities, and improving access to quality health care for our community.

Harris Health System, and other safety net hospitals across the United States, provide access to cost effective, quality health care delivered to their patients, regardless of their ability to pay.

There will always more patient need than capacity to provide, and the community's access to care depends upon the contribution of every possible source of funding, including the 340B Program.

The 340B Program has grown significantly in recent years and oversight is appropriate to ensure it is working properly.

According to GAO, the number of 340B covered entities has nearly doubled in the past five years to over 38,000.

Similarly, the number of contract pharmacy agreements has grown dramatically since 2010, going from 1,300 to 18,700 in 2017.

It is important that Congress protect the integrity of 340B and ensure that the program will continue to serve low income Americans in need of care.

I look forward to hearing what GAO found in its latest investigation and from our stakeholder witnesses on the importance of 340B and ways we can improve the program.

I would like to have added to the record a statement from the American Hospital Association and the Association of American Medical Colleges on today's hearing.

Thank you, Mr. Chairman. I now yield the remainder of my time to my colleague, Congresswoman Matsui of California.