September 18, 2020

United States Senate
Washington, D.C. 20510

Dear Senator,

I am writing today on behalf of the National Infusion Center Association (NICA) regarding the recent letter sent to Secretary Azar that expressed concerns on potential disruptions to the 340B Drug Discount Program. Thank you for your recent efforts to support the program’s intent and preserve access to care.

As you know, the 340B program was designed to maintain and optimize population health for some of our nation’s most vulnerable communities. However, as Secretary Azar previously acknowledged in his remarks at the 340B Coalition Summer Meeting, the program is fraught with fundamental oversights and deficiencies that not only cloud our ability to objectively evaluate its performance, but also provide both opportunity and incentive for bad actors to exploit the program’s flaws for financial gain.

A report from the New England Journal of Medicine found there is no evidence that 340B savings are being used to expand care for low-income patients.\(^1\) Additionally, a 2020 Government Accountability Office report stated “[the Department of Health and Human Services] does not have reasonable assurance that states and covered entities are complying with the prohibition on duplicate discounts”.\(^2\) Both reports point to two major issues with the program that NICA believes need to be addressed:

- HRSA lacks sufficient authority to clarify program requirements and adequately oversee the program. Consequently, key aspects of the program have remained vague, resulting in harmful variation in the way covered entities use the 340B program.\(^3\)
- Congress did not clearly identify its intent for the program or the program’s parameters, leaving the statute silent on many important program requirements (e.g., patient eligibility).

Before asking Secretary Azar to issue directives to manage the downstream consequences of the program’s design flaws, we urge you and your congressional colleagues instead to push for a more stable solution that is long overdue— reforming the 340B program to ensure it aligns with its original intent.

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The attached report expounds upon our concerns and our ask to increase transparency, evaluate to what extent the program is actually serving patients, refocus the program where needed, and mitigate abuse.

We sincerely appreciate your thoughtful consideration of this very important matter and welcome the opportunity for further discussion at your convenience. Thank you for your time and commitment to public service.

Sincerely,

BRIAN NYQUIST, MPH | EXECUTIVE DIRECTOR
NATIONAL INFUSION CENTER ASSOCIATION