



*A driving force for health equity*

*Submitted via electronic email*

June 5, 2024

Honorable Doris Matsui  
Washington DC Office  
2311 Rayburn HOB  
Washington, DC 20515

Re: *Support for H.R. 7635: The 340B PATIENTS Act of 2024*

Dear Representative Matsui,

On behalf of OCHIN, I appreciate the opportunity to provide support for *H.R. 7635: The 340B Pharmaceutical Access to Invest in Essential, Needed Treatments & Support Act of 2024 (The 340B PATIENTS Act)*. OCHIN is a national nonprofit health information technology innovation and research network that serves over 2,000 community health care sites with 25,000 providers in 43 states, reaching more than 6.1 million patients including Critical Access Hospitals, rural and frontier health clinics as well as federally qualified health centers and local public health agencies. We applaud your leadership in clarifying that the practices of the pharmaceutical companies to place restrictions on contract pharmacies are not consistent with congressional intent and explicitly prohibited. Currently, 340B provides patients with access to affordable medication and serves as a financial lifeline to community clinics that are critical to advancing health equity.

### **OCHIN: Impact of 340B on Patient Access and Community Clinic Sustainability**

For over two decades, OCHIN has advanced health care solutions by leveraging the strength of our network's unique data set and the practical experience of our members to drive technology innovation for patients and providers in rural and other underserved communities. OCHIN offers technology solutions, informatics, evidence-based research, and workforce development and training in addition to policy insights. OCHIN has the largest collection of community health data in the country and more than two decades of practice-based research and solutions expertise. We provide the clinical insights and tailored technologies needed to expand patient access and connect care teams, and improve the health of rural and medically underserved communities.

OCHIN members serve everyone regardless of the ability to pay. Patients in the OCHIN network often face greater social risk, which increases the cost and complexity of their care, and without 340B, many members would not be able to cover their costs of providing patient care. OCHIN examined available accounting data for a sample of network members and found that most of them depend on 340B to stay financially solvent. **Further, we found the scale of potential revenue shortfall without the 340B program to be considerable, accounting for three times the margin of revenue over expenses on average needed to keep doors open and provide affordable medication.** In the OCHIN network, 340B is used more by providers in rural communities. Given the health care crisis in rural and other underserved communities, attacks on 340B by pharmaceutical companies have an increased negative impact on these patients and their providers and worsen the barriers faced by them.

Over the past several years, the critical savings generated by the 340B Program has been continually eroded by pharmaceutical drug companies, pharmaceutical benefit managers (PBMs) and some state Medicaid programs. Despite lacking the legal authority to do so, several drug manufacturers have unilaterally imposed onerous reporting requirements on participating 340B community clinics and attempted to restrict the use of contract pharmacies. These requirements have created costly reporting, monitoring, technical and administrative reengineering, staff training, and workflow redesign obligations as well as other policies that result in reduced payment. As a result of these actions, health centers are stripped of 340B savings mandated by Congress, and their ability to provide affordable pharmaceuticals and other critical services to their patients and communities is undermined. The *340B PATIENTS Act* ensures manufacturers comply with what Congress originally intended, eliminates restrictions on the manner and location of drug distribution, and incorporate penalties for violations from manufacturers to enforce compliance. OCHIN supports this legislation as it would improve accessibility to affordable drugs through the 340B program as well as protect the well-being and viability of covered entities to serve rural and underserved communities.

Please contact me at [stollj@ochin.org](mailto:stollj@ochin.org) if we can provide any additional information to support your efforts.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Stoll". The signature is cursive and fluid.

Jennifer Stoll  
Chief External Affairs Officer  
External Affairs