

March 23, 2022

**TO:** Chairwoman Rapp, Chairman Frankel, and Honorable Members of the House Health Committee

**FROM:** Heather Tyler, Vice President, State Legislative Advocacy

**SUBJECT:** Support for House Bill 1319, Safety Net Provider Protection

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On behalf of more than 240 members statewide, The Hospital and Healthsystem Association of Pennsylvania (HAP) expresses support for House Bill 1319, sponsored by Representative Carrie Lewis DelRosso. As you know, the bill has been referred to and is awaiting action by the House Health Committee.

We respectfully urge you to please include HB 1319 on the committee calendar and vote yes.

There are currently 67 340B hospitals serving approximately 16,700 staffed beds in Pennsylvania. Many of these hospitals serve rural communities and provide care for some of the most vulnerable Pennsylvanians. The 340B Drug Pricing Program helps these hospitals manage the fiscal strain of providing expensive pharmaceuticals by allowing them to purchase discounted medications from drug manufacturers.

Thanks to the 340B program, these safety-net hospitals can use savings to stabilize all patients' access to care and/or help patients secure prescription drugs at reduced or no cost.

Unfortunately, third-party Pharmacy Benefit Managers (PBMs) are undercutting the benefit of the program by imposing fees that significantly reduce or completely eliminate the savings that are intended to support providers in stretching scarce resources for the benefit of their patients. Right now, it is also permissible for PBMs to reimburse 340B providers at lower rates than non-340B providers.

HB 1319 seeks to protect Pennsylvania's 340B hospitals by prohibiting PBMs from imposing massive fees or significantly reducing reimbursement based on participation in the 340B Drug Pricing Program. This legislation protects patients by ensuring that 340B program savings remain intact and continue to reach patients to enhance access to care.

Thank you for your ongoing support of Pennsylvania's 340B hospitals and the patients they serve.