

Congress of the United States
House of Representatives
Washington, DC 20515

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Dear Manufacturers:

We are writing to express our concerns over your recent actions towards 340B covered entities that may limit the distribution of drugs to uninsured and underinsured patients. Collectively, these entities represent the “safety net” providers in our health care system and provide services that are, in many cases, unavailable or uneconomical to otherwise provide, particularly during a global pandemic. If allowed to continue, these actions will negatively impact the ability of 340B entities to care for vulnerable patients in our communities, provide discounted medications to their uninsured and underinsured patients, and to “stretch scarce Federal resources” per the 340B program intent.

Some manufacturers are switching from “discount pricing” to “rebate models” or requesting claims data to better understand whether they are providing discounts to Pharmacy Benefit Managers (PBMs) and other parties in addition to 340B pricing to covered entities or their contract pharmacies. Other manufacturers are proposing to limit the number of contract pharmacies at each entity, which is not consistent with the 340B program’s intent and would put patients in jeopardy. Many of the 340B entities serve wide geographical areas where it may be hundreds of miles between contract pharmacies. HRSA guidance on this matter has been recognized by manufacturers since 2010, and the sudden change will put patients and entities at risk.

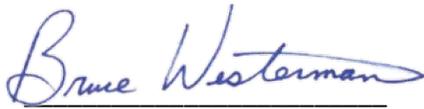
We understand and appreciate the need for this information and the goal to lower the cost of health care through eliminating duplicative payments to middlemen. However, these proposed

methods and timelines deserve input from 340B stakeholders and should be implemented in a collaborative way that does not disrupt patient access to health care or put safety net providers in jeopardy. 340B stakeholders and Congress must play a role to understand the downstream implications of these actions and introduce legislative reforms to the program to ensure it continues to serve those most in need.

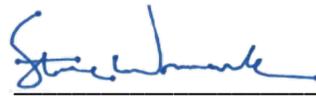
Additionally, these actions will adversely affect community pharmacies and their patients. Today, patients access discounted 340B medications through 340B contract pharmacies. These program changes would impact community pharmacies and their patients by potentially forcing covered entities to open competing pharmacies in communities they serve, limit patient choice by forcing entities to choose only one existing contract pharmacy and open the door for discriminatory contracting by PBMs. These new policies would limit patient access to affordable medications and likely result in the closure of existing community pharmacies in underserved areas.

We urge you to reconsider your upcoming deadlines and revisit your request to include input from 340B participants. A major change to this program should include a collaborative comment period with 340B stakeholders in conjunction with the government agencies whose responsibility it is to oversee the 340B program. The deadlines you have imposed are counterproductive to the intent of the program and are contrary to regulatory guidance and longstanding practice. The changes will financially harm both 340B entities and the millions of patients that depend upon them for health care services and access to discounted medications. Thank you for your consideration on this important matter and we urge you to respond and act quickly.

Sincerely,



Bruce Westerman
Member of Congress



Steve Womack
Member of Congress



French Hill
Member of Congress



Ralph Norman
Member of Congress



Rick Crawford
Member of Congress