



**American Hospital  
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May 2, 2020

The Honorable Seema Verma  
Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
200 Independence Avenue, S.W., Room 445-G  
Washington, DC 20201

***Re: CMS 340B Hospital Survey for Specified Covered Outpatient Drugs  
(SCODs) Average Acquisition Cost***

Dear Ms. Verma:

The Centers for Medicare & Medicaid Services (CMS) has taken a number of steps over the last six weeks to help hospitals meet the enormous challenges brought forth by the COVID-19 global pandemic. We know that CMS is aware of the situation hospitals face – from building surge capacity to managing significant declines in non-emergent service – which is why we are disappointed to learn that CMS is moving forward with its 340B hospital acquisition cost survey. 340B hospitals should not be asked to divert critical staff time or other resources during a national public health crisis to complete this data request.

As we stated in our [March 9 letter](#), the AHA has concerns with the design and intent of the survey. We believe that using the results of the survey for rate setting is a violation of the Medicare statute and the Administrative Procedures Act. Moreover, CMS underestimated the burden on hospitals in terms of time and staff needed to complete the survey. 340B hospitals are suffering financially, and staff are overwhelmed from managing the front line of the COVID-19 pandemic. 340B hospitals should not be asked to divert resources away from patient care at this time.

On behalf of our nearly 2,000 340B member hospitals, the AHA calls on CMS to withdraw this survey. 340B hospitals in the throes of this health crisis need every able staff resource to enable them to meet and manage new demands. We look forward to continuing to work with you during this critical time to protect the health of our nation.

Sincerely,

/s/

Thomas P. Nickels  
Executive Vice President