



THE SECRETARY OF HEALTH AND HUMAN SERVICES

WASHINGTON, D.C. 20201

September 1, 2022

The Honorable Abigail D. Spanberger
U.S. House of Representatives
Washington, DC 20515

Dear Representative Spanberger:

Thank you for your letter expressing concerns about the actions of several drug manufacturers related to the 340B Drug Pricing Program (340B Program) and the adverse impacts of these actions on safety-net providers and their patients. I appreciate your continued support for this vital program and share your concerns.

The 340B Program was enacted to help safety net healthcare providers stretch their resources by saving on their purchases of outpatient drugs. The 340B Program serves as an integral component of the healthcare safety-net in our country.

With respect to the contract pharmacy issue you raise in your letter, HRSA has issued Violation Letters to nine manufacturers who violated the 340B statute by unilaterally refusing to sell, or limiting sales of, discounted 340B drugs to covered entities that use contract pharmacies to dispense the medications. We also have referred several of these manufacturers to the HHS Office of the Inspector General.

While there is ongoing litigation around this issue, HRSA has and will continue to exercise its available authority under the 340B statute to hold manufacturers accountable for compliance. At the same time, the President's Budget includes a proposal to ensure that HRSA has broad rulemaking authority to support the 340B Program as well as an increase of \$7 million to expand HRSA's program integrity efforts, including increased audit and oversight efforts. Legislative action is needed to strengthen the tools that the agency has to ensure the accountability and oversight that we all believe is necessary here.

Thank you again for your support of this vital safety-net program, and we look forward to working with you on this issue. If you have further questions, please have your staff contact the Office of the Assistant Secretary for Legislation at (202) 690-7627.

Sincerely,

Xavier Becerra

Cc:

Hon. Cindy Axne

Hon. Dusty Johnson

Hon. John Katko

Hon. Doris Matsui

Hon. David B. McKinley