

July 27, 2018

MEMORANDUM

TO: Hospital Chief Executive Officer
340B Program Officers
Government Relations Officers

FROM: Mike Vicario, Vice President of Regulatory Affairs (919-677-4233, mvicario@ncha.org)

SUBJECT: 340B Advocacy

Legislative and Regulatory

The Energy and Commerce Committee on Health met on July 11 to discuss a number of proposed legislative bills affecting the 340B Program. Proposals include a 2 year hiatus on new registrations in the program, additional reporting requirements, and statutorily defining a “340b patient.” A discussion draft proposal by Rep. Barton of Texas would raise the qualifying disproportionate share percentage from 11.75% to 18%, effectively disqualifying up to 33 of North Carolina’s 340B hospitals. One of the bills discussed in the Committee would nullify CMS’ payment cuts to 340B hospitals for Medicare Part B drugs, while CMS, in its 2019 rule, proposes to expand those payment cuts to certain off-campus hospital clinics, including facilities providing infusion therapy for cancer patients. NCHA is preparing comments on that proposed rule and welcomes your input. See the proposed rule at <https://bit.ly/2Olr0Z2>.

340B Program Advocacy

NCHA believes that continued demonstration that 340B savings are being used to meet the goals of the Program will help protect the 340B Program through these legislative challenges. In accordance with the recommendations of the 340B Workgroup, as approved by the NCHA Board of Trustees, we requested members to provide information on the amount of 340B savings and uses of those savings (*Community Benefit/IRS 990 data*) in early June. We have received several 340B hospitals’ *value workbook* reports, and want to thank those who have completed them. We are also requesting that those who have not submitted *value workbooks* to please review, complete and return them as soon as possible. (*And if your current data is not available, please complete the workbook using last year’s data.*) Doing so will enable NCHA to partner with its members to further develop 340B statewide advocacy.

HRSA Webinar on August 8

The Health Resources and Services Administration's Office of Pharmacy Affairs will host a webinar to assist covered entities with the recertification process for the 340B drug savings program on August 8. Hospitals can join the webinar, which takes place from 1 p.m. to 2 p.m. ET, by visiting https://hrsaseminar.adobeconnect.com/dpp_340b_pepi/. The conference number is 800-967-7154 and participant passcode is 847321.

All 340B hospitals are required to recertify with HRSA to ensure they continue to meet the 340B hospital eligibility requirements. The hospital recertification process runs from Aug. 15 to Sept. 12. HRSA recently said it may request additional information from covered entities during the registration process. These additional program integrity requests are specific to hospital eligibility documentation and contract pharmacy agreements of all covered entities registering for the 340B Program.

