



**American Hospital  
Association®**

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June 12, 2018

The Honorable Doris. O. Matsui  
U.S. House of Representatives  
2311 Rayburn House Office Building  
Washington, DC 20515

Dear Congresswoman Matsui:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our clinician partners – including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) is pleased to support the Stretching Entity Resources for Vulnerable (SERV) Communities Act.

The AHA remains committed to ensuring the long-term sustainability of the 340B drug savings program. We believe 340B-participating hospitals regularly provide information to support their use of the 340B program through the yearly-recertification process and the required randomized audits.

We are pleased to see the SERV Communities Act will increase the parity in transparency requirements between covered entities and drug manufacturers by requiring implementation of the long delayed 340B ceiling price calculation methodology and application of civil monetary penalties for manufacturers' violations of the ceiling price. For more than seven years, these provisions passed by Congress have not been implemented, and as a result, covered entities are unable to challenge drug manufacturers when they sell drugs above the 340B ceiling price.

The AHA also strongly supports the provision to reverse the Centers for Medicare & Medicaid Services' (CMS) calendar year 2018 outpatient prospective payment system's dramatic reduction in Medicare Part B payments for certain 340B hospitals. CMS's decision to cut Medicare payments for so many hospitals for drugs covered under the 340B program will dramatically threaten access to health care for many patients, including uninsured and other vulnerable populations. It is not based on sound policy and punishes hospitals and patients for participation in a congressionally mandated program.



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We also appreciate your effort to expand the 340B program to additional underserved populations. We would like to work with you to expand this concept even further to include for profit hospitals that provide care for underserved populations.

We applaud your leadership on this important issue and look forward to working with you to secure passage of this legislation. Please contact me if you have questions or feel free to have a member of your team contact Aimee Kuhlman, senior associate director of federal relations, at (202)626-2291 or [akuhlman@aha.org](mailto:akuhlman@aha.org).

Sincerely,

/s/

Thomas P. Nickels  
Executive Vice President