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COUNTY OF SANTA BARBARA

July 19, 2018

The Honorable Salud Carbajal
 U.S. House of Representatives
 Washington, D.C. 20515

Dear Congressman Carbajal:

We have sent the attached letters to the House Energy and Commerce Subcommittee on Health to reiterate the County of Santa Barbara's support for the 340B Drug Pricing Program.

As part of the Energy and Commerce Committee's review of the 340B Program, the Subcommittee on Health held a hearing on July 11 for several related bills, including the following measures that are supported by the County:

- Congressman McKinley's H.R. 4392, which would place a permanent moratorium on the Centers for Medicare & Medicaid Services policy in the 2018 Outpatient Prospective Payment System rule that cuts by 27 percent Medicare Part B payments for drugs purchased through the 340B Drug Pricing Program.
- Representative Matsui's H.R. 6071, the *Stretching Entity Resources for Vulnerable (SERV) Communities Act*, which would prevent HHS from implementing a narrower definition of 340B-eligible patients than what is under the 1996 guidance from HRSA and reverse the 2018 cut in Medicare reimbursement.

The 340B program was established to lower drug costs for hospitals and community health centers that care for a disproportionate share of low-income patients. Under the program, pharmaceutical manufacturers agree to extend discounts to eligible providers – including essential hospitals and Federal Qualified Health Centers (FQHCs) – as a condition of participating in the Medicaid and Medicare Part B markets. The program provides patients at these facilities with lifesaving medications at reduced costs, and provides help in managing chronic conditions. While the 340B program only impacts a very small percentage of the pharmaceutical drugs sold nationwide, it significantly reduces

Federal, State, and local health care spending, and enables hospitals and FQHCs such as those throughout Santa Barbara County to direct more of their scarce resources to direct health care services, as well as expanding access to community-based primary and specialty care.

The County of Santa Barbara urges you to work with the members of the Committee to approve legislation such as H.R. 4392 and H.R. 6071 to ensure the continuation of an effective 340B Drug Pricing Program. Please reject proposals that would limit access to affordable, needed, pharmaceuticals for low-income or uninsured patients or reduce access to care by cutting safety net providers out of the program.

Sincerely yours,

A handwritten signature in black ink that reads "Don Gilchrest". The signature is written in a cursive, flowing style.

Donald Gilchrest
Washington Representative

DWG:awg
Enclosures