

CMS 340B Cuts Will Reduce Critical Patient Care

CMS rate cuts of nearly 30 % in Medicare reimbursements for 340B drugs prescribed at hospitals will reduce access to care; and shift funding from safety net providers across the country.

H.R. 4392 introduced by Reps. David McKinley (R-WV) and Mike Thompson (D-CA) would place a permanent moratorium on these cuts.

Support H.R. 4392

The 340B prescription drug program provides manufacturer-provided discounted drugs to help hospitals serving low income patients.

CMS' recent rule cuts 340B payments by nearly 30% on Medicare Part B drugs prescribed at a 340B hospital. *The cuts will provide no net savings to CMS; but will cost \$1.6 billion annually for safety net hospitals providing care. THOT Texas hospital losses will range from \$500,000 to over \$2.5 million per hospital.*

Impact on Texans
Since the cuts will particularly hurt patients with low incomes and who are uninsured; Texas will suffer a disproportionate impact from CMS' cuts.

Reduced 340B Medicare payments:

- Undermine Congressional intent for the program
- Fail to meet the sited objectives and will result in no Medicare savings; no net cost reductions for beneficiaries, and no impact to rising drug prices.
- Reduce savings that safety net providers use to support healthcare for the most vulnerable among us.
 - Our 340B THOT providers will lose between nearly three-quarters of a million dollars and up to \$2.6 or more million dollars per year that supports cost-effective care. Just ten of our hospitals & clinic systems will suffer a \$15 million loss. The total impact to Texas' 144 340B providers will be significantly higher.
 - Those most hurt are our most vulnerable. The proposal would reduce payments for drugs for individuals (often uninsured) needing chemotherapy and immunosuppressive drugs who, without the 340B program, would have few or no other alternatives to access these life-saving therapies.

H.R. 4392 has broad bipartisan support and will put a permanent moratorium on CMS' rule cutting critical 340B rates. Congress can preserve and protect the 340B program as an essential part of the safety-net system that does not rely on taxpayer dollars. This rule will pull significant funding from Texas safety net providers (urban, rural, publics, state, and non-profit) at a time when Texas is working to recover from the devastating impacts of Hurricane Harvey; a disaster that disproportionately affects the population served by 340.

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University Medical Center, El Paso uses its estimated \$17 million in annual 340B savings to:

- Operate six new community based clinics with pharmacy services.
- In 2016 alone, help support the provision of over \$154 million in uncompensated care services.
- Continue providing services when 31 percent of county residents are estimated to be uninsured.

John Peter Smith Health Network in Fort Worth uses its estimated annual \$50 million in 340B program savings to:

- Provide \$176 million in uncompensated care a year, including for the 63% of its patients who are uninsured, have Medicaid or have Medicare.
- Support care for the 24% of county residents who are uninsured; and the 39,000 residents enrolled in JPS Connection, which provides access to care.
- Provide 637,000 340B prescriptions last year at clinic pharmacies throughout the county where patients can best access them.
- 9,128 chemotherapy and infusion encounters last year with over 80% for patients who were uninsured, using Medicaid or Medicare.
- Locate care at schools so children get care, and can stay in school.

Parkland Hospital and Health System, one of the largest public hospital systems in the country, uses its \$133.7 million in estimated annual 340B savings to:

- Provide more than one million outpatient primary and specialty care visits to county and out of county residents most of whom are uninsured.
- Fill over nine million prescriptions/medication orders at inpatient and outpatient settings annually.
- Provide care to its patients, of whom nearly half are charity or self-pay (48%); and 28% have Medicaid. Only 8 percent of Parkland patients have commercial insurance.
- Enable programs including homeless medical outreach.
- Create and operate a nationally recognized Antibiotic Therapy Clinic and Home IV antibiotic therapy program for patients needing a longer duration of treatment. This program decreased hospital costs and increased access for uninsured Texans.
- Provide pharmacist-based anticoagulation drug therapy management clinics and asthma education and drug therapy management.
- Provide free or very low copay prescriptions to low income, uninsured, and underinsured patients which helps improve quality of care, quality of life and assists in preventing costly hospital admissions and readmissions.
- Operate and expand outpatient community clinics providing primary care medical services.



Harris Health System uses its 340B savings (\$177 million in savings 2017) to:

- Provide care including cost-effective clinic and outpatient care.
- Continue providing prescriptions when their pharmacy costs for certain drugs have risen as high as 841% over three years.
- Support the 2.1 million outpatient prescriptions it has filled in 2017; and help support its \$131 million in average annual pharmaceutical costs.
- Help provide \$649 million in uncompensated care services; including for the 60% of Harris Health's patients who are uninsured. At Harris, 91% of patients are uninsured, have Medicaid or have Medicare.
- Allows Harris Health System to make available programs that would otherwise be unaffordable.

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