



Texas Hospitals Reinvest 340B Savings to Increase Access to Care Support H.R. 4392

One in four Texas hospitals relies on the federal 340B drug discount program to purchase outpatient pharmaceuticals at reduced prices.

Participating 340B hospitals have demonstrated to the U.S. Department of Health and Human Services that they care for a disproportionate share of low-income and Medicaid-insured patients or are a critical access or sole community hospital in an isolated, rural area. Participating hospitals must recertify their eligibility annually and meet numerous program integrity requirements.

Through the 340B program, pharmaceutical manufacturers sell drugs used in outpatient settings at discounted prices to hospitals and other entities that care for uninsured and low-income patients. Participating entities can achieve savings of 25 to 50 percent on pharmaceutical purchases. Nationwide, hospitals have saved approximately \$6 billion through the 340B program. These savings represent less than 1.5 percent of total drug spending but provide hospitals with essential resources to **support school-based health care, community-based oncology care and dialysis in rural areas, infusion therapy for uninsured patients and other vital health care services for traditionally underserved populations.**

There is no federal spending involved in the 340B program.

Effective, Jan. 1, the Centers for Medicare & Medicaid Services will reduce hospitals' Part B Medicare reimbursement for drugs purchased through the 340B program, with the exception of rural sole community, children's and specialty cancer hospitals. **The financial impact to Texas hospitals is estimated to be a loss of nearly \$41 million in 2018.**

Preventing CMS From Implementing the Final Outpatient Payment Rule Governing Medicare Reimbursement for 340B Drugs ([H.R. 4392](#))

- Texas hospitals support H.R. 4392.
- Bipartisan bill in the U.S. House of Representatives to stop CMS from reducing Medicare reimbursement for outpatient drugs purchased through the 340B drug discount program.
- Currently in House Ways and Means Committee and Energy and Commerce Committee.
- 135 cosponsors (98 Democrats; 37 Republicans).

H.R. 4392 Texas Congressional Delegation Co-Sponsors (as of Dec. 12)

- Rep. Mac Thornberry (R-TX 13)
- Rep. Eddie Bernice Johnson (D-TX 30)

For more information, contact:

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