



COMMITTEE ON
ENERGY & COMMERCE
DEMOCRATS
RANKING MEMBER FRANK PALLONE, JR.

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Pallone Remarks at 340B Hearing

“340B-covered entities are using their savings to serve the community, and Congress should commend and support these efforts”

Washington, D.C. – *Energy and Commerce Committee Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following remarks at a Subcommittee on Oversight and Investigations hearing on, “Examining How Covered Entities Utilize the 340B Drug Pricing Program.”*

Thank you, Mr. Chairman. Twenty-five years ago, Congress passed bipartisan legislation establishing the 340B program to help health care providers expand their capacity to serve their patients. Since that time, the 340B Program has played a critical role in ensuring that low-income Americans and our most vulnerable populations have access to essential health care services, and helping safety-net providers expand innovative care to these communities.

This summer, the Republican Majority initiated an investigation to determine how entities are using the program. From what we have heard over the last couple of weeks, it appears that 340B recipients are using their savings to reach vulnerable populations, and without that money, these programs would be reduced or cut all together.

The Committee has reviewed responses from most of the health care facilities that the Republicans contacted. Committee staff have also interviewed representatives from most of the letter’s recipients. Many entities have explained that the 340B savings often cover only a portion of the cost of their uncompensated care and services to vulnerable populations.

Through those interviews and responses, we have found that covered entities rely on 340B funds to provide a diverse range of essential services to the community. Today, we will hear firsthand from our witnesses about the types of care and treatment that might be impossible to provide without the help of 340B.

For instance, 340B recipients have told the Committee that they use their savings to support mobile clinics for low-income patients or to provide free prescriptions to uninsured and underinsured patients. One provider reported that 340B savings made it possible for it to treat low-income patients with substance abuse disorders.

Another said that thanks to the 340B savings, it is able to serve more vulnerable children in its neonatal intensive care unit. This provider reported that without 340B, it might have to cut the number of children it can help by nearly half.

It is beyond question that the resources provided through the 340B program directly augment patient care throughout the country. We have consistently heard this message from all types and sizes of 340B providers, from small AIDS clinics to large urban hospitals. The 340B program plays an integral role in supporting the mission of safety net providers serving low-income, uninsured, and underinsured patients.

Some have suggested that we can improve this program by increasing transparency and program integrity. I agree – good program integrity strengthens our programs not only for today but for the future. I want to be clear, however, that while I am always happy to have a conversation about strengthening the 340B program, it is plain from the responses we have received that 340B-covered entities are using their savings to serve the community, and Congress should commend and support these efforts.

I remain dedicated to finding ways to strengthen the 340B Program and ensure that it continues to fulfill its vital mission.

Thank you, and I yield back.

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