

FOR IMMEDIATE RELEASE:
JULY 24, 2017

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ICYMI: Congress Calls For Increased Oversight and Transparency of 340B Program

House Subcommittee on Oversight and Investigations Raises Concerns of Program Mismanagement and Lack of Oversight Which Ultimately Hurt Patients

WASHINGTON, D.C. (July 24, 2017) - The House Energy & Commerce Subcommittee on Oversight and Investigations held a hearing last Tuesday to examine the Health Resources and Services Administration's (HRSA) oversight of the 340B drug pricing program.

While the 340B program was established to reduce outpatient prescription drug costs for vulnerable or uninsured patient populations, lack of oversight has allowed the program to veer off its intended course. In the hearing, members of Congress spoke with representatives from HRSA, the Office of Inspector General (OIG), and the Government Accountability Office (GAO) to explore the problems with the current program and press for modifications to ensure that the program benefits vulnerable or uninsured patients as intended.

In fact, both GAO Director Dr. Debra Draper and HRSA Director of Pharmacy Affairs Dr. Krista Pedley raised concerns that a lack of agency resources has inhibited HRSA's ability to identify and correct bad actors in the system. Dr. Pedley went so far as to call for legislation to help increase oversight of the program.

Additional highlights are below:

"The integrity of the 340B program must be protected. HRSA must be able to conduct oversight in a way that allows it to uncover fraud and non-compliance," noted [Oversight & Investigations Subcommittee Chairman Tim Murphy](#) (R-PA).

[Energy & Commerce Committee Chairman Greg Walden](#) (R-OR) cited the many issues with oversight resources, auditing control, and the growing number of noncompliant covered entities currently plaguing the 340B program. "That's one reason we are here today – to answer the question: how can HRSA improve its audits to better detect problems or somehow raise the annual number of audits? [...] HRSA's annual audits reveal a high level of noncompliance with program requirements by covered entities, including the potential for duplicate discounts and

diversion of 340B drugs to ineligible patients. [...] We will discuss how HRSA's lack of regulatory authority limits the agency's ability to adequately oversee the program."

[Rep. Michael Burgess](#) (R-TX) also noted the problems with today's 340B program: "The program has challenges, and audits by the HRSA have found high levels of non-compliance among 340B covered entities, raising questions as to who is currently overseeing the program, and who should provide that oversight going forward. [...] So I'm grateful we're having the hearing today and look forward for an opportunity to examine the 340B landscape going forward."

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The Alliance for Integrity and Reform of 340B (AIR 340B) is a coalition of patient advocacy groups, clinical care providers, and biopharmaceutical innovators and distributors dedicated to reforming and strengthening the 340B program to ensure it directly supports access to outpatient prescription medicines for uninsured indigent patients. www.340Breform.org