



**CALIFORNIA
HOSPITAL
ASSOCIATION**

*Providing Leadership in
Health Policy and Advocacy*

June 12, 2018

The Honorable Doris Matsui
2311 Rayburn House Office Building
Washington, DC 20515

Dear Congresswoman Matsui:

The California Hospital Association, representing the state's more than 400 hospitals and health systems, is pleased to support The Stretching Entity Resources for Vulnerable (SERV) Communities Act. Your legislation will provide important enhancements to the 340B Drug Pricing Program, which is critical to safety-net hospitals and their commitment to meet their communities' health care needs.

More than 25 years ago, Congress established the 340B Drug Pricing Program to offer financial relief from high prescription drug costs to health care providers who care for low-income and indigent populations. In California, 175 hospitals qualify for the 340B program and use the subsequent savings to maintain access to critical health services that vary from maintaining access to mental health services, vaccinations, oncology infusions, dental services and a wide range of community health programs. Hospitals use the savings from the 340B program to tailor their services to most directly meet the health care needs of those in need in their communities.

The SERV Act will ensure that hospitals and other safety-net providers can continue to stretch limited financial resources to best serve their patients and communities. The savings gleaned from the 340B program allow hospitals to make critical, cost-effective investments in public health to improve their patients' health. Using the savings from this drug discount program, hospitals can provide free or discounted drugs and therapies to low-income patients with chronic disease. Consistent access to these drugs slows the progression of the disease, improves the patient's quality of life and reduces overall medical costs.

Your legislation will improve the integrity and transparency of the 340B program by requiring the Secretary of Health and Human Services to audit both providers of care and drug manufacturers equally, as well as disclose critical pricing information. The measures you outline will allow hospitals to continue to be exemplary stewards of the 340B program, to their patients' continued benefit.

Thank you for your strong support of the 340B program, California's safety-net hospitals and — most importantly — the patients they serve.

Sincerely,

/s/

Carmela Coyle
President & CEO