

PUBLICATION

Oversight Interest in the 340B Program Continues

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Conversations also continue regarding the 340B drug pricing program, which requires drug manufacturers to sell outpatient drugs at discounted prices to safety net providers, including certain public and private non-profit hospitals. The President's budget proposal continues to call for Congress to grant the Department of Health and Human Services (HHS) the authority to issue regulations to administer the 340B program, including the authority to collect information from providers on how much they save through 340B and how they use their savings. HHS has issued most of its current 340B policies through informal guidance. HHS suggests that it does not plan to issue additional 340B guidance until Congress provides regulatory authority.

At the same time, however, the Centers for Medicare and Medicaid Services (CMS) has announced [plans](#) to survey 340B hospitals to collect drug acquisition cost data that CMS would use to set reduced reimbursement rates to 340B hospitals. Hospitals have challenged existing Medicare payment cuts to 340B hospitals in federal court. A lower court ruled in favor of hospitals and the D.C. Circuit Court of Appeals is now considering the case on appeal.