

*The leading education and advocacy  
organization for the cancer team*



Association of Community Cancer Centers

## **ACCC Principles for 340B Drug Pricing Program Sustainability and Reform**

**September 2017**

### Background

The Association of Community Cancer Centers (ACCC) is an institutional based membership organization with members in all 50 states and in all sites of service. ACCC members provide cancer care in private practices and hospitals, both academic and community-based; both for-profit and not-for-profit. Given the diversity of our membership, ACCC is uniquely positioned to engage with policymakers and fellow stakeholders in a dialogue about how to ensure sustainability and reform of the 340B Drug Pricing Program.

As Congress, the Health Resources & Services Administration (HRSA), and the Centers for Medicare & Medicaid Services (CMS) consider reforms to the 340B Drug Pricing Program, policymakers should support policies that encourage and, at a minimum, do not discourage, medical oncology providers from treating underserved populations, including low-income Medicare beneficiaries, Medicare-only, Medicaid, uninsured and dual-eligible cancer patients. In addition, since most medical oncology is delivered in the community setting, policymakers should modernize the 340B program to reflect this reality in cancer care delivery, including allowing independent physician practices already serving underserved patients to be eligible to participate.

At the same time, given the current scope of the program, any reforms undertaken should not increase the net size of the 340B program. Instead, reform efforts should be focused on ensuring that existing resources are reaching those cancer programs willing to treat underserved populations.

### Specific Fundamental Reforms

ACCC believes that to preserve the original intent of the 340B program, to continue to ensure that savings help oncology providers reach more underserved patients and provide more comprehensive services, and to preserve long-term viability of the program, the following steps should be taken:

1. Congress should revise the 340B statute to give HRSA the general rulemaking authority and adequate funding it needs to appropriately regulate and oversee the program.
2. HRSA should require transparency and public reporting from covered entities on the savings accrued from the program and how these savings are spent on services that benefit underserved patients.

3. Congress should revisit the metric used to determine eligibility of hospital covered entities for the 340B program to better reflect 1) the level of outpatient services provided by the hospital, which is relevant because the 340B program relates to covered outpatient drugs, and 2) the patient population that the hospital covered entity and its sites serve. For example, rather than the DSH adjustment, Congress should explore other proxies for eligibility, including patient insurance status in the outpatient setting.
4. HRSA should seek stakeholder input to clarify the definition of “covered entity” to focus on programs treating patients in a reasonable catchment area.
5. HRSA should seek stakeholder input to clarify the definition of eligible patient so that providers understand clearly which patients qualify for the program.
6. HRSA should examine the impact contract pharmacies, pharmacy benefit managers, and other outside entities have on the 340B program.
7. Congress should expand HRSA’s authority to sanction covered entities that knowingly and repeatedly violate the rules of the program.
8. Congress should create a path for all oncology providers, including independent physician practices, to participate in the 340B program, particularly those that are already providing care for underserved patients.

\* \* \*

ACCC stands willing to work with stakeholders and policymakers to achieve comprehensive reform of the 340B program that serves a critical role in serving underserved patients in the cancer care delivery system.