

WHA in Washington, D.C. Urging Congress to Protect 340B and Oppose Site-Neutral Cuts to Hospitals

WHA and leaders from hospitals and health systems from across Wisconsin were back in Washington, D.C. on July 25 and 26 to meet with members of Wisconsin's Congressional Delegation.

Those participating included Bob Van Meeteren of Reedsburg Area Medical Center, Jim Nelson of Fort HealthCare, Nathan Franklin and Michael Finley of Bellin Gundersen Health System, Tony Curry of Advocate Health, Brad Wolters of Marshfield Clinic Health System, Jeremy Levin of the Rural Wisconsin Health Cooperative, and Jon Hoelter of WHA.



WHA and hospital leaders with U.S. Rep. Bryan Steil. L to R: Jon Hoelter, Bob Van Meeteren, Tony Curry, Nathan Franklin, U.S. Rep. Bryan Steil, Michael Finley, Jeremy Levin, Jim Nelson

The two issues the group discussed were [protecting the 340B prescription drug discount program](#) and [guarding against proposed site-neutral payment policies](#) proposed by various committees in Congress.

Hospitals have been dealing with a variety of recent threats to the 340B prescription drug program. Not only have drug companies been denying 340B discounts at contract pharmacies, but some pharmacy benefit managers (PBMs) have started reducing reimbursements for drugs hospitals acquire on a discount from the 340B program, essentially stealing the savings Congress designated for hospitals to pad their own bottom lines. Additionally, the House Energy & Commerce Committee advanced [H.R. 3290](#) on a party-line vote in late May. This legislation would add duplicative and burdensome reporting requirements on 340B hospitals without benefiting the patients the program serves.



WHA and hospital leaders with U.S. Rep. Glenn Grothman (4th from left) and U.S. Rep. Derrick Van Orden (3rd from right).

The group urged Wisconsin's Congressional delegation to oppose H.R. 3290 and instead support [H.R. 2534, the Protect 340B Act of 2023](#). This legislation addresses actions those discriminatory actions some pharmacy benefit managers (PBMs) have been taking to pocket 340B savings intended for hospitals. It would prohibit PBMs from cutting reimbursements to hospitals for prescription drugs purchased at a 340B discount.

The hospital leaders also urged Wisconsin's Congressional delegation to oppose site-neutral payment policies that have been proposed by the House Energy and Commerce and Ways and Means committees. Both committees have passed bipartisan legislation that would cut hospital reimbursements for drug administration services at off-campus hospital outpatient departments (HOPDs). This policy is expected to lower payments for these affected sites by approximately \$3 billion nationally and \$90 million in Wisconsin.

In addition to this proposal passed by both committees, Congress has been exploring various [other site-neutral payment policies](#) that could have a much larger impact. While hospitals are sympathetic to the desire to have Medicare's payment policies more accurately reflect the cost of certain services, Medicare already pays only about 73% of what it costs Wisconsin hospitals to provide care under Medicare. Medicare designed the higher payments hospital outpatient departments receive to offset the higher costs they bear for safety-net services like staffing emergency departments, inpatient beds, and intensive care units 24/7. WHA has insisted lawmakers must backfill any site-neutral cuts with higher reimbursements elsewhere for the safety-net services that higher HOPD payments were intended to partially offset.

In addition to these site-neutral proposals introduced in the House, some legislators in the U.S. Senate have expressed desire to work on similar proposals. Bernie Sanders, chair of the Senate HELP committee, had announced a planned markup of wide-reaching legislation that would include site-neutral payment policies even in the commercial sector, before eventually canceling the markup after [concerns were expressed by ranking member Bill Cassidy M.D. \(R-LA\)](#). The Senate Finance Committee has also been rumored to be working on legislation that would include site-neutral payment policies.

WHA will continue to closely follow these issues and keep up its advocacy efforts through the upcoming months. Contact WHA Vice President of Federal and State Relations [Jon Hoelter](#) with questions.

Other Articles in this Issue

- [Worker's Compensation Rates Fall for Eighth Consecutive Year](#)
- [Preliminary Data on Wisconsin Medicaid Renewals Now Available](#)
- [WHA in Washington, D.C. Urging Congress to Protect 340B and Oppose Site-Neutral Cuts to Hospitals](#)
- [WHA Resource Spotlight: Community Health Needs Assessment Dashboard](#)