

Congress of the United States
Washington, DC 20515

July 13, 2009

The Honorable Henry Waxman
Chairman
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Waxman:

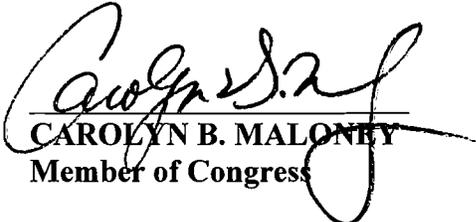
As Members of the New York Congressional delegation that represent New York safety-net hospitals, we write to strongly urge that the 340B Drug Pricing Program be expanded to the inpatient setting as part of any health care reform proposal considered by the U.S. House of Representatives.

Currently, the 340B Drug Pricing Program requires pharmaceutical manufacturers that participate in Medicaid to sell outpatient drugs at discounted prices to disproportionate share hospitals (DSH) that serve a high threshold of low-income, uninsured and underinsured patients. Under current law, DSH hospitals participating in the 340B Drug Pricing Program pay approximately thirty percent more for their inpatient drugs than their outpatient drugs, although the drugs are frequently the same. It is also important to note that both the inpatient and outpatient settings serve the same low-income population that the 340B Drug Pricing Program was designed to assist.

Our institutions currently participate in the 340B Drug Pricing Program and receive discounts on the outpatient side, lowering costs for patients and taxpayers. At a minimum, extending the 340B Drug Pricing Program to inpatient drugs would reduce our inpatient drug costs by fifteen percent. We believe these new resources could be better used to provide direct patient care.

Again, we urge that the 340B Drug Pricing Program be expanded to the inpatient setting as part of any health reform proposal. Thank you for your consideration of this vital issue.

Sincerely,

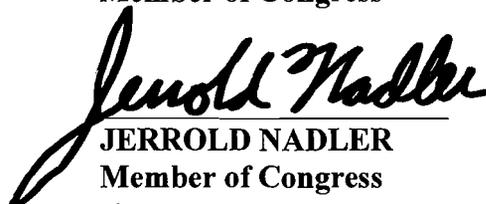

CAROLYN B. MALONEY
Member of Congress

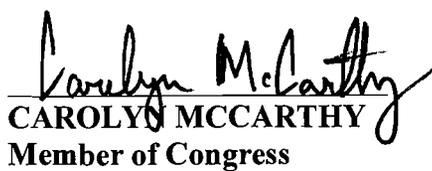

NITA LOWEY
Member of Congress


ERIC MASSA
Member of Congress

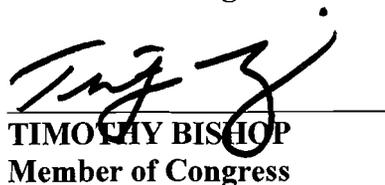

GARY ACKERMAN
Member of Congress


MICHAEL ARCURI
Member of Congress


JERROLD NADLER
Member of Congress


CAROLYN MCCARTHY
Member of Congress


PAUL TONKO
Member of Congress


TIMOTHY BISHOP
Member of Congress