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October 19, 2005

The Honorable John Thune
United States Senate
383 Russell Senate Office Building
Washington, DC 20510

Dear Senator Thune:

The American Hospital Association (AHA), on behalf of our 4,800 member hospitals, health systems and other health care organizations, and our 33,000 individual members, is pleased to support S.1840, the Safety Net Inpatient Drug Affordability Act. We applaud your effort to expand the 340B program to inpatient pharmaceuticals and Critical Access Hospitals (CAHs).

In 1992, Congress passed P.L. 102-585, which amended the Public Health Service Act by adding Section 340B to provide for a "limitation on prices of drugs purchased by covered entities." These covered entities include certain disproportionate share hospitals, including large urban hospitals, small urban hospitals, and certain rural hospitals.

S.1840 would allow participating hospitals to expand the 340B program to their inpatient drugs and, for the first time, allow CAHs to participate in the program for both inpatient and outpatient drugs. As a result, the legislation will help these hospitals cope with the high cost of pharmaceuticals as they work to provide the care their communities need.

We look forward to working with you and your colleagues to enact S.1840.

Sincerely,

Rick Pollack
Executive Vice President

