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March 13, 2007

Bradford R. Lang  
Public Health Analyst  
Office of Pharmacy Affairs  
Health Resources and Services Administration  
5600 Fishers Lane  
Parklawn Building, Room 10C-03  
Rockville, MD 20857

***Re: Notice Regarding 340B Drug Pricing Program Contract Pharmacy Services (Vo. 72, No. 8), January 12, 2007***

Dear Mr. Lang:

On behalf of our approximately 5,000 member hospitals, health systems and other health care organizations, and our 37,000 individual members, the American Hospital Association (AHA) appreciates the opportunity to comment on the Health Resources and Services Administration's (HRSA) proposed changes to the 340B contract pharmacy service guidelines. If adopted, these revised guidelines would benefit patients and hospitals that rely on the 340B program by allowing 340B-discounted drugs to be dispensed through a broader network of pharmacies.

We urge HRSA to adopt these guidelines so that safety-net hospitals can continue to provide vulnerable patients with enhanced access to affordable prescriptions.

HRSA's 1996 guidelines prohibit qualified providers (i.e. "covered entities") from contracting with more than one pharmacy, thereby limiting safety-net hospitals' ability to reach vulnerable patients living farther away. In addition, if a qualified provider operates an in-house ambulatory care pharmacy that dispenses 340B drugs, it is barred by law from entering into a contract pharmacy relationship with an outside pharmacy. These limitations have hampered the ability of disproportionate share (DSH) hospitals to participate in the 340B pharmacy program.

HRSA's proposed guidelines, however, would allow qualified providers to contract with multiple pharmacies and enter into one or more contract pharmacy relationships while maintaining an in-house patient pharmacy. Allowing DSH hospitals to contract with multiple pharmacies would improve patient access: DSH hospitals tend to have large service areas, and



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multiple contract pharmacies would be able to cover a wider geographic area to ensure that vulnerable patients have convenient access to 340B drugs.

Furthermore, the guidelines would allow DSH hospitals and other qualified providers to enter into agreements with mail-order pharmacies and/or pharmacy benefit manager companies, which would further expand patient access to the 340B pharmacy programs.

The AHA supports HRSA's proposed guidelines and looks forward to their adoption. If you have any questions about our comments, please contact me or Don May, vice president of policy, at (202) 626-2356 or [dmay@aha.org](mailto:dmay@aha.org).

Sincerely,

Rick Pollack  
Executive Vice President