

March 3, 2026

The Honorable Thomas J. Engels
Administrator
Health Resources and Services Administration
U.S. Department of Health and Human Services
5600 Fishers Lane
Rockville, MD 20852

Dear Administrator Engels:

On behalf of our more than 2,000 member hospitals and health systems that participate in the 340B Drug Pricing Program, the American Hospital Association (AHA) writes about a new concerning development with the 340B Program.

On January 26, 2026, the AHA wrote to urge the Health Resources and Services Administration (HRSA) to take immediate action to stop Eli Lilly and Company (Lilly) from requiring 340B covered entities to submit claims data for *all* dispensations of *all* Lilly drugs, regardless of setting. We explained the onerous costs Lilly's policy would have on 340B hospitals and their patients, why Lilly's policy is unlawful, and the inevitability that other drug companies would quickly follow Lilly's lead. Yesterday, the AHA's predictions came true. A second drug company, Novo Nordisk (Novo), announced a policy identical to Lilly's. Novo's policy will have the same crushing consequences as Lilly's.

Regrettably, HRSA never responded to the AHA's January 26 letter (or the many letters that hospitals around the country have submitted explaining the massive costs that Lilly's policy will inflict on them). In fact, it has not taken any action — one way or another — in response to Lilly's unprecedented policy. Respectfully, now that that Novo has chosen to impose the same onerous costs on America's hospitals, HRSA cannot remain silent.

The Supreme Court has been clear: "Congress vested authority to oversee compliance with the 340B Program in HHS." *Astra USA, Inc. v. Santa Clara Cnty.*, 563 U.S. 110, 119 (2011). HRSA's silence at this critical moment is troubling. We hope that HRSA will take immediate enforcement action, including the use of civil monetary penalties, against both Lilly and Novo to halt their new policies. But if HRSA is not going to take



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such action, it must let 340B hospitals and other stakeholders know that and explain why these new policies are lawful under the 340B statute.

We appreciate your attention to this important matter and ask that you please contact me directly or have a member of your team contact AHA's director of pharmaceutical policy, Bharath Krishnamurthy, at bkrishnamurthy@aha.org.

Sincerely,

/s/

Chad Golder
General Counsel & Secretary