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**HOSPITAL GROUPS CONTINUE FIGHT,
REFILE LAWSUIT TO REVERSE CUTS FOR 340B HOSPITALS**

WASHINGTON, DC (September 5, 2018) – Today, the American Hospital Association (AHA), the Association of American Medical Colleges (AAMC), and America’s Essential Hospitals, along with three hospital plaintiffs, refiled their lawsuit against the U.S. Department of Health and Human Services (HHS) in the U.S. District Court of the District of Columbia to reverse Medicare payment cuts for many hospitals in the 340B Drug Pricing Program.

In July, an appeals court delayed a ruling on the merits of the case because no claims had been filed when the case was originally brought to prevent the rule from going into effect. Having filed claims that have progressed through the appeals process, the hospital plaintiffs have now addressed the court’s procedural concern, and with the hospital associations, have refiled the lawsuit asking for expedited relief.

“We look forward to receiving a prompt resolution on the merits of our case,” the hospital associations said today. **“For over 25 years 340B program drug discounts have played a critical role in helping hospitals expand access to care for vulnerable patients and communities at no cost to the federal government.”**

The lawsuit argues that the 340B provisions of the Centers for Medicare & Medicaid Services’ (CMS) calendar year (CY) 2018 outpatient prospective payment system (OPPS) final rule violate the law and, therefore, should be set aside under the Administrative Procedure Act as unlawful and in excess of the HHS Secretary’s statutory authority. CMS in the final rule reduced by nearly 30 percent, or \$1.6 billion annually, Medicare payments to certain hospitals for outpatient drugs purchased under the 340B program.

The three hospital associations are joined in the suit by hospital plaintiffs: Eastern Maine Healthcare Systems, in Brewer, Maine; Henry Ford Health System, in Detroit; and Park Ridge Health, in Hendersonville, North Carolina, part of Adventist Health System.

The 340B program enables hospitals and other organizations that care for communities with low-income and uninsured patients to purchase certain outpatient drugs from drug companies at discounted prices. The program allows participating hospitals to use the savings to provide an expanded range of comprehensive health services to their local communities, such as increased access to care, clinical pharmacy services, community outreach programs, free vaccines and transportation to follow-up appointments. 340B program discounts account for less than 2% of drug companies' annual sales. An analysis released earlier this year by the AHA showed that 340B tax-exempt hospitals provided more than \$50 billion in total benefits to their communities in 2015 alone, the most recent year for which data is available.

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