

WHA Expresses Concerns with Congressional Subcommittee's 340B, Site-Neutral Proposals

On May 18, the Wisconsin Hospital Association [expressed concerns](#) over legislation recommended by the [House Energy & Commerce Subcommittee on Health](#) that would add additional regulations on the 340B prescription drug discount program, as well as expand site-neutral payment policies in Medicare.

In particular, the subcommittee advanced legislation to require [340B](#) hospitals to collect data at each outpatient location where 340B drugs may be dispensed or administered, including the total number of individuals receiving 340B drugs by payer, total costs, payments and savings.

In a letter addressed to the chairs and ranking members of both the Energy and Commerce (full) Committee and Subcommittee on Health, WHA President & CEO Eric Borgerding expressed concerns on behalf of Wisconsin's hospitals that would be impacted by this new requirement.

"340B hospitals already face strict internal audits and oversight from the Health Resources and Services Administration (HRSA). While hospitals would no doubt find a way to comply with additional regulatory requirements proposed regarding the 340B program, compliance would come as a result of hospitals spending additional time and resources on attorneys and other compliance personnel," said Borgerding. "It would also likely take additional clinician time away from patient care and toward compliance when hospitals are already facing a workforce shortage, partly due to clinician burnout that results from too much paperwork and too little time spent in front of patients," he continued.

WHA also expressed its concern with policies the subcommittee both considered and advanced regarding [site-neutral payment policies](#). This refers to a policy where Medicare cuts reimbursement for services provided at hospital outpatient departments, by paying only the rate it pays to non-hospital-based clinics or ambulatory surgical centers.

The subcommittee recommended a new burdensome requirement that each off-campus hospital outpatient department be assigned a separate unique health identifier and submit an attestation of compliance with provider-based regulations as a condition of payment. Additionally, it advanced site-neutral payment policies for drugs administered or dispensed at hospital-based outpatient departments (HOPDs). Notably, subcommittee Chair Cathy McMorris-Rodgers (R-WA) withdrew legislation to expand site-neutral payment policies for other services, but noted the subcommittee may consider these at a later date.

In its letter to the subcommittee, WHA detailed the extensive losses Wisconsin hospitals already receive due to underpayments in Medicare, and how these policies would exacerbate those losses and threaten access to care.

"It is critically important to remember that hospitals did not design the complex, convoluted Medicare payment structure that currently exists—but nevertheless must plan their budgets based on it. It is also important to remember that *even with* the higher HOPD payments, hospitals are still losing money serving Medicare patients, not to mention the even higher losses hospitals take serving Medicaid patients," said Borgerding. "Taking away any form of HOPD payments without concurrently raising hospital payments elsewhere will exacerbate and deepen the losses safety-net hospitals experience for being our nation's safety-net. We strongly urge this committee to reject these piecemeal site-neutral payment cuts to hospitals," he added.

[WHA was in Washington DC at the end of April](#) warning members of Wisconsin's Congressional Delegation about these harmful policies that it expected policymakers to be considering. It is continuing to urge Wisconsin's federal lawmakers to express their hospitals concerns to their colleagues and request they do not advance them any further.

Contact WHA Vice President of Federal and State Relations [Jon Hoelter](#) with questions.

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