

FOR IMMEDIATE RELEASE

March 5, 2012

Grassley: Jill Gerber 202-224-6522

Enzi: Joe Brenckle 202-224-2465

Hatch: Julia Lawless 202-224-4515

Pitts: Debbie Keller 202-226-4972

Grassley, Enzi, Hatch, Pitts Seek Details of Discount Drug Program

WASHINGTON – Sen. Chuck Grassley, Sen. Michael Enzi, Sen. Orrin Hatch, and Rep. Joe Pitts today asked a wide range of stakeholders for a detailed accounting of how they operate the 340B program, a discount drug program that’s meant to supply federally funded grantees and other safety net health care providers but whose exploding growth raises questions about program integrity.

A June 2011 Health and Human Services Inspector General report raised questions of program integrity without proper federal oversight of taxpayer dollars. Likewise, a report from the Government Accountability Office issued in September 2011 said federal oversight of the program is “inadequate” to ensure that covered entities and manufacturers are in compliance with program requirements.

“With the reliance on self-policing among participating manufacturers and covered entities and the increase in the number of new settings in which the program is offered, the risk of improper purchases or diversion of 340B drugs has significantly increased,” the members wrote. “The problems identified by the GAO as it relates to the oversight responsibilities of each party and the expansion of the program need resolution.”

Grassley, Enzi, Hatch, and Pitts wrote to the Pharmaceutical Research and Manufacturers of America; the Biotechnology Industry Organization; Apexus, Inc.; and the Safety Net Hospitals for Pharmaceutical Access. The legislators said that with so many stakeholders involved in the program, everyone must work together to ensure the program is serving the intended beneficiaries.