

March 13, 2024

Senate Health and Human Services Committee

Chair Wiklund and Committee Members,

As 340B covered entities and members of the Minnesota 340B Coalition, we are writing with comments and recommendations specific to SF4861 which would change current 340B reporting requirements.

The 340B Drug Pricing program which was enacted by Congress in 1992 provides a way for safety-net providers to purchase discounted drugs from participating pharmaceutical companies. To qualify to participate in 340B, covered entities like community health centers, sexually transmitted infection clinics and hospitals must serve a disproportionate share of low-income patients or patients living in isolated rural communities. The program allows providers to offer more comprehensive services by stretching scarce resources as far as possible to give patients access to the healthcare services they need.

The 340B program requires participating entities to meet various program integrity requirements as outlined in the enclosed fact sheet. Legislation enacted in Minnesota in 2023 added to this list a requirement to provide the state with data specific to this program. In compliance with this law and the final Form and Manner for 340B Covered Entity Report that was published on March 1, covered entities are working hard to gather data to meet the current April 1, 2024 deadline.

This bill would add a requirement to report data on clinician administered drugs. Pulling this data is a new, complex and, in some cases, insurmountable process that will require a significant amount of time and resources. Much of the complexity is due to reimbursement processes. When providers submit claims for patient care that include administered drugs these claims are bundled with other services. Unlike for dispensed drugs, claims that include administered drugs do not reference a line item for that drug. Payers then reimburse in a large lump sum that often includes multiple forms of treatment for multiple patients. This is why determining what specifically was reimbursed for an administered drug is a manual process that requires significant staff and external vendor time. For some coalition members, including some critical access hospitals, the challenges related to pulling this data cannot be overcome and it simply cannot be done.

As a coalition, we welcome the opportunity to be as transparent about the 340B program as possible and invite the same transparency with state data related to this program. **To allow 340B covered entities the time to complete the manual processes required to pull this additional data we are seeking clarity on when this new information would need to be submitted and ask that covered entities not be required to submit data specific to new reporting requirements until April 1, 2025.** This will allow covered entities to continue to focus on gathering and submitting data outlined in current reporting requirements for 2024.

Sincerely,

Coalition partners referenced in the enclosed document

Enclosure: Minnesota 340B Coalition Fact Sheet