



June 12, 2024

*Brian Frazee*  
President & CEO

The Honorable Kerri Evelyn Harris  
Delaware General Assembly  
411 Legislative Ave.  
Dover, DE 19901

*Beebe Healthcare*  
David A. Tam,  
MD, MBA  
President & CEO  
DHA Board Chair

Dear Representative Harris,

The Delaware Healthcare Association, representing Delaware's hospitals, health systems, and related healthcare organizations, opposes House Substitute 1 for HB 383 as currently written.

*ChristianaCare*  
Janice E. Nevin,  
MD, MPH  
President & CEO  
DHA Board Vice Chair

While HB 383 rightly prohibits discrimination against 340B drug distribution by manufacturers, third-party logistics providers, and wholesale distributors and prohibits discrimination by pharmacy benefits managers against 340B covered entities, **House Substitute 1 removes hospitals from the benefit of this bill. This will limit the effectiveness of the 340B program for patients in Delaware.**

*Bayhealth*  
Terry Murphy  
President & CEO  
DHA Board Secretary &  
Treasurer

The 340B program allows hospitals and other safety-net providers to reduce the price of outpatient pharmaceuticals for patients and expand health services to our communities. Hospitals use 340B savings to help provide a range of services that benefit the underserved in Delaware, including charity care, free health screenings and vaccines, programs to address food insecurity, other social drivers of health, and more. Statewide, Delaware hospitals provide nearly \$1 billion annually in [community benefit spending](#). This includes nearly \$776 million in the unpaid cost of patient care and more than \$202 million in programs and services that improve the health of our communities.

*Nemours Children's Health*  
Mark Marcantano  
President  
Delaware Valley  
Operations

*TidalHealth Nanticoke*  
Penny Short, MSM, BSN,  
RN  
President

The 340B program allows eligible hospitals that care for a large number of underserved patients to stretch scarce resources in providing care and support for low-income and uninsured individuals. Ensuring hospitals can continue to utilize and fully realize the savings of the 340B program as intended is critical to preserving access to care for all patients. Unfortunately, House Substitute 1 or HB 383 excludes hospitals and our patients from the nondiscrimination provisions in HB 383.

*Saint Francis Hospital*  
James Woodward  
President & CEO  
Trinity Health Mid-Atlantic Region

*Delaware Healthcare Association*  
Brian W. Frazee  
President & CEO

While we appreciate that our community health center partners will be able to realize the benefits of the nondiscrimination provisions in HS 1 for HB 383, we remain concerned that the positive impact of this legislation will be limited by removing hospitals from the bill.

Thank you for the opportunity to express DHA's opposition to HS 1 for HB 383 as currently written. We hope to work with you on this issue to prevent discrimination in the 340B program for all covered entities and their patients and communities.

Sincerely,

A handwritten signature in black ink that reads "Brian Frazee". The signature is written in a cursive, slightly slanted style.

Brian Frazee  
President & CEO  
Delaware Healthcare Association