



June 24, 2024

Brian Frazee
President & CEO

The Honorable Sarah McBride
Delaware General Assembly
411 Legislative Ave.
Dover, DE 19901

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

ChristianaCare
Janice E. Nevin,
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RN
President

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

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

Dear Senator McBride,

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

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.

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.

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 for HB 383 excludes hospitals and our patients from the nondiscrimination provisions in HB 383.

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, but we remain concerned that the positive impact of this legislation will be limited by removing hospitals from the bill.

While we oppose hospitals being removed from HS 1 for HB 383, we are not seeking to stop progress on HS 1 for HB 383 as it will benefit the patients who visit Delaware's community health centers. We do, however, want to point out the need for nondiscrimination in the 340B program across the continuum of care, including in our hospitals.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Frazee".

Brian Frazee
President & CEO
Delaware Healthcare Association