



DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Resources and Services
Administration

Rockville MD 20857

APR 17 2013

The Honorable Charles E. Grassley
Ranking Member
Committee on the Judiciary
United States Senate
Washington, DC 20510

Dear Senator Grassley:

This letter is in response to your letter regarding the manner in which 340B Drug Pricing Program (340B Program) savings are utilized by participating covered entities.

The 340B statute (42 USC section 256b) does not limit the manner in which participating covered entities utilize the savings from participation in the 340B Program. Therefore, the Health Resources and Services Administration (HRSA) does not have the authority under the 340B legislation to require that covered entities either limit their charges for 340B drugs or direct 340B-derived revenues to any particular activity.

In response to the questions posed at the end of your correspondence, HRSA does not collect information regarding covered entities' use of revenue accrued by sales of or charges for discounted 340B drugs. We would be pleased to talk to your staff again about the 340B Program and these questions. If your staff would like to arrange for a conference call, please contact Leslie Atkinson, Director of HRSA's Office of Legislation, at 301-443-1890.

I appreciate the opportunity to work together to ensure the integrity of the 340B Program.

Sincerely,

A handwritten signature in cursive script, reading "Mary K. Wakefield", is written in black ink.

Mary K. Wakefield, Ph.D., R.N.
Administrator