



Statement for the Record

of the

National Association of Rural Health Clinics
1009 Duke Street
Alexandria, VA 22314

to the

United States House of Representatives
Energy and Commerce Committee
Oversight and Investigations Subcommittee

Oversight of 340B Drug Pricing Program

June 4, 2024

On behalf of the over 5,500 Rural Health Clinics (RHC) across the nation, we sincerely appreciate the opportunity to provide a statement for the record following the recent Subcommittee's hearing on Oversight of the 340B Drug Pricing Program.

The RHC program, first created in 1977, provides outpatient care for over [60% of rural America](#) and 11% of the entire country (approximately 38.7 million patients). Overall, the Rural Health Clinic program has been tremendously successful at bolstering access to healthcare across rural America.

Broadly, Congress has conveyed that in turning their attention to the 340B program, their intent is to preserve the original intent of the 340B program – helping safety-net providers stretch critical federal dollars and keep the doors open for medically underserved patients to continue receiving lifesaving care.

For many rural, safety-net providers, 340B is this lifeline. Approximately sixty-five percent of Rural Health Clinics are eligible for participation in the 340B program via their parent hospital through child site arrangements. **However, it is important to note that the remaining over 1,800 independent/free-standing RHCs are not eligible.** The current policy promotes consolidation, preventing solo-practitioners and independent RHCs from utilizing the 340B benefit. As these clinics face thinner margins, the significant potential revenues associated with the 340B program may present little choice but to sell to a qualifying parent hospital.

In considering the best policies to protect the original intent of the 340B program, NARHC encourages Congress to reflect on the importance of **all** rural, safety-net providers, regardless of ownership structure. Specifically, Congress should reconsider program eligibility to direct these program resources where they are needed the most, establishing all Rural Health Clinics, as well as Rural Emergency Hospitals (REHs) as eligible 340B entities.

The National Association of Rural Health Clinics thanks the House Energy and Commerce Oversight and Investigations Subcommittee for organizing this hearing. We hope that the above statement helps illuminate the impacts and potential impacts of the 340B program on the 5,500 Rural Health Clinics across the country. Should the Subcommittee have any questions, the NARHC is happy to serve as a resource. Please contact us by phone at (202) 543-0348, and email us at Sarah.Hohman@narhc.org, or Nathan.Baugh@narhc.org.