



COALITION AGAINST SOCIALIZED MEDICINE

a Project of THE CONSERVATIVE POLITICAL ACTION COALITION

March 18, 2026

Via Electronic Delivery

The Honorable Morgan Griffith
Chairman
The House Committee on Energy and
Commerce, Subcommittee on Health
2123 Rayburn House Office Building
Washington, DC 20515

The Honorable Dianne DeGette
Ranking Member
The House Committee on Energy and
Commerce, Subcommittee on Health
2123 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Griffith, Ranking Member DeGette, and Members of the House Committee on Energy and Commerce Subcommittee on Health:

Thank you for your commitment to addressing issues with the United States healthcare system. Ahead of the upcoming hearing, "Lowering Health Care Costs for All Americans: An Examination of the U.S. Provider Landscape," we urge lawmakers to highlight the need for 340B reform to stop participating hospitals from abusing the program.

While originally developed to help low-income patients get the treatments they need, opacity in 340B program has made it susceptible to abuse by its covered entities that allows these providers to pocket discounts intended for patients. In some cases, these diverted savings have been used to increase staff wages or finance facility renovations. In more extreme instances, hospital executives at participating institutions have earned salaries exceeding \$1.9 million annually, all while participating in a program intended to support low-income patients.

Moreover, a lack of reporting requirements in the program has enabled unauthorized duplicative discounts on prescription drugs. Under federal law, manufacturers must provide either the 340B discounted price or a Medicaid rebate for a drug, but never both. Yet because the program fails to consistently report whether a drug was purchased at the 340B price, some hospitals have been able to collect both discounts, generating significant windfalls exceeding [\\$1 million](#).

When discussing ways to lower American healthcare costs, CASM urges the Committee to address the abusive 340B hospital practices that allow them to profit off low-income patient losses.

Sincerely,

Andrew Langer
Executive Director
Coalition Against Socialized Medicine (CASM)