



OFFICE OF THE EXECUTIVE VICE PRESIDENT  
UC HEALTH

OFFICE OF THE PRESIDENT  
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June 13, 2018

Dear Congresswoman Matsui,

On behalf of the University of California's (UC) five academic medical centers, collectively referred to as "UC Health," thank you for introducing the Stretching Entity Resources for Vulnerable (SERV) Communities Act. This legislation recognizes the integral role that the 340B Drug Pricing Program plays in supporting UC Health's twelve public hospitals and their ability to provide access to a comprehensive array of medical services for vulnerable patient populations and under-served communities.

UC Health's twelve public hospitals provide high quality services to California's most vulnerable patients. More than sixty percent of the patients treated throughout the UC Health System are enrolled in public insurance or are uninsured. Participation in the 340B Drug Pricing Program means we can provide needy patients who have experienced an organ transplant or suffer from HIV access to nearby specialty clinics staffed by UC Health physicians.

UC Health supports passage of the SERV Communities Act. We appreciate the legislation's recognition that safety net 340B providers are committed to careful stewardship of the 340B Program, as evidenced by providers' investment of significant time and resources to comply with numerous existing program integrity requirements. Additionally, we support provisions to also require that participating drug manufacturers demonstrate conformity with 340B Program requirements by establishing parity for Health Resources and Services Administration (HRSA)'s compliance audits of manufacturers and safety net providers and implementing the long overdue regulations intended to promote pricing transparency for 340B drug discounts and hold drug manufacturers accountable when they over-charge 340B providers.

UC Health also supports the SERV Communities Act's provision to overturn a nearly 30 percent Medicare Part B payment cut for drugs acquired under the 340B Program that went into effect January 2018. This Medicare payment cut contradicts the spirit and purpose of the 340B Program and drastically undermines UC Health's capacity to maintain the operation of myriad safety net primary and specialty care clinics throughout California.

UC Health depends upon the 340B Program to support our mission and to fulfill our critical role in California's health care safety net. Thank you for introducing the SERV Communities Act, which if enacted into law, will help us sustain our role as the country's leading public academic health care system.

Sincerely,

A handwritten signature in blue ink, appearing to read "John D. Stobo".

John D. Stobo, M.D.

Executive Vice President of UC Health System