# CMS RELEASES REPAYMENT PROPOSAL FOR 340B PAYMENT CUTS

The Centers for Medicare & Medicaid Services ("CMS") just released its Proposed Rule for repaying hospitals that were affected by the 340B OPPS payment cuts from 2018 through 2022.

CMS has proposed that 340B hospitals will receive a one-time lump sum payment at the end of 2023 or beginning of 2024. Each hospital's payment would be calculated as the difference between what it was paid for 340B drugs from CY 2018 through September 27, 2022 and what it would have been paid if the payment reduction had not been applied, i.e., ASP + 6%. In addition, CMS would increase each hospital's payments to account for the 20% beneficiary copayment and prohibit hospitals from billing beneficiaries for additional copayment amounts. A hospital's lump-sum payment would be reduced to account for any repayments that the hospital already received for services provided from January 1, 2022 through September 27, 2022.

As we expected, CMS has proposed that these payments will be budget-neutral, and the estimated $7.8 billion of repayments will be offset by a 0.5% decrease to the OPPS conversion factor beginning in 2025. This adjustment is estimated to be in place for 16 years.

Comments to the Proposed Rule are due no later than September 5, 2023.

If you have questions regarding the Proposed Rule or would like assistance with submitting comments, please contact:

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