HOSP
Health System Owned
Specialty Pharmacy Alliance

August 14, 2026

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

Re: Response to the Senate Committee on Finance Request for Information on Drug Pricing

Dear Ranking Member Wyden:

The Hospital Owned Specialty Pharmacy (HOSP) Alliance appreciates the opportunity to respond to the Senate Committee on Finance's Request for Information on prescription drug pricing. HOSP represents hospitals and health systems that operate integrated, hospital-owned specialty pharmacies serving patients with cancer, autoimmune diseases, multiple sclerosis, transplant-related conditions, rare diseases, and other complex conditions requiring specialty medications and ongoing clinical management.

HOSP supports efforts to improve prescription drug affordability for patients and taxpayers. Prescription drug costs continue to present significant challenges for patients, public programs, employers, and the broader health care system. We appreciate the Committee's thoughtful examination of policies that can improve competition, increase transparency, encourage innovation, and ensure patients have access to the therapies they need.

Hospital-owned specialty pharmacies experience firsthand how prescription drug policies affect patients after a medication has been prescribed. Our members work closely with physicians, nurses, and other members of the care team to navigate insurance requirements, coordinate prior authorizations, assist patients with financial assistance, educate patients beginning complex therapies, monitor adherence, manage adverse events, and help patients remain on treatment. As a result, HOSP's perspective is grounded not in the development or financing of prescription drugs, but in the delivery of specialty medications to patients.

Many discussions surrounding prescription drug pricing appropriately focus on the price of medicines and the incentives that shape pharmaceutical innovation. Equally important, however, is how those policies are implemented. Well-designed reforms can improve affordability while preserving timely access to care. Poorly implemented reforms can create unintended administrative burdens, increase financing obligations for providers, and ultimately make it more difficult for patients to receive the medications they need.

Accordingly, HOSP's comments focus on those aspects of the Committee's Request for Information that most directly affect patient access, hospital-owned specialty pharmacies, and the implementation of federal

prescription drug policy. We encourage the Committee to pursue reforms that improve affordability while ensuring hospitals and health systems can continue providing the coordinated, pharmacist-led services that help patients successfully initiate and remain on complex therapies.

I. Implementing Drug Pricing Reforms

HOSP supports Congress's efforts to improve prescription drug affordability and recognizes that many of the policies under consideration have the potential to lower costs for patients and public programs. As the Committee evaluates current and future reforms, however, we encourage policymakers to place equal emphasis on how these policies are implemented. Implementation decisions often determine whether otherwise well-designed reforms improve patient access or create new operational challenges for providers responsible for delivering care.

Hospital-owned specialty pharmacies operate at the intersection of patients, prescribers, manufacturers, payers, and government programs. Every day, our members coordinate insurance benefits, obtain prior authorizations, secure financial assistance, educate patients beginning complex therapies, monitor adherence, and work with clinicians to manage treatment over time. Because of this role, hospitals experience firsthand how payment systems, reimbursement methodologies, and administrative requirements affect a patient's ability to begin and remain on therapy.

Favor Prospective Pricing Over Retrospective Payment Models

Whenever feasible, Congress should favor prospective pricing mechanisms that provide certainty at the time a medication is purchased rather than relying on retrospective rebates or reconciliation processes.

For many specialty medications, acquisition costs can reach thousands of dollars per prescription. Payment models that require hospitals and health systems to purchase these therapies before receiving negotiated prices or statutory discounts can create significant financing obligations without improving patient access or clinical outcomes. While these approaches may achieve the same financial outcome over time, they frequently increase compliance requirements, create additional financing obligations, and require hospitals and health systems to devote resources to payment reconciliation rather than patient care.

These considerations are relevant across a number of federal drug pricing initiatives, including implementation of Medicare drug price negotiation and potential changes to the 340B Drug Pricing Program. As Congress evaluates future reforms, HOSP encourages the Committee to prioritize payment models that are transparent, predictable, and operationally efficient for all participants in the pharmaceutical supply chain.

Reduce Administrative Complexity

Prescription drug policies should simplify administration wherever possible.

Hospital-owned specialty pharmacies already navigate multiple payer requirements, prior authorization processes, manufacturer assistance programs, quality reporting obligations, and compliance requirements while coordinating care for patients receiving complex therapies. New reporting systems, payment

reconciliation processes, or duplicative administrative requirements consume resources that could otherwise be devoted to direct patient care.

As Congress considers additional reforms, HOSP encourages the Committee to seek opportunities to standardize operational requirements, improve transparency, and reduce unnecessary administrative requirements across federal drug pricing programs. Policies should improve efficiency throughout the pharmaceutical supply chain rather than shifting new responsibilities onto providers.

Consider the Impact on Patient Care
Implementation decisions should ultimately be evaluated by their effect on patients.

Hospital-owned specialty pharmacies provide far more than medication dispensing. Pharmacists work directly with physicians and other members of the care team to educate patients, monitor treatment, identify adherence challenges, coordinate financial assistance, and address barriers that might otherwise delay or interrupt therapy. These services are particularly important for patients receiving specialty medications, where treatment success often depends upon close clinical monitoring and ongoing patient engagement.

As the Committee develops future prescription drug policies, HOSP encourages Congress to consider how implementation decisions affect providers' ability to continue delivering these services. Reforms that improve affordability while preserving coordinated, pharmacist-led care will produce the greatest benefit for patients and the Medicare program alike. Helping patients initiate and remain adherent to appropriate therapy not only improves clinical outcomes, but can also reduce avoidable complications and support more efficient use of Medicare resources.

II. Implementing Medicare Drug Price Negotiation

HOSP recognizes that the Medicare Drug Price Negotiation Program represents a significant change in how Medicare pays for certain high-cost prescription drugs. As implementation continues, the Committee has an opportunity to ensure that negotiated prices improve affordability for Medicare beneficiaries while avoiding unnecessary operational complexity for providers responsible for delivering care.

HOSP's interest is not in the negotiated amount of the Maximum Fair Price (MFP) itself, but rather in how negotiated prices are implemented throughout the pharmaceutical supply chain and whether those implementation decisions preserve timely patient access to specialty medications.

Deliver Negotiated Prices Through Efficient Payment Mechanisms
As Congress continues overseeing implementation of the Medicare Drug Price Negotiation Program, HOSP encourages the Committee to ensure negotiated prices are delivered through payment mechanisms that are transparent, predictable, and operationally efficient.

The Medicare Drug Price Negotiation Program provides an important opportunity to demonstrate that lower drug prices and efficient program administration can go hand in hand. As CMS continues implementation, HOSP encourages the Committee to support approaches that minimize unnecessary administrative

requirements, reduce financing obligations for providers, and deliver negotiated savings as efficiently as possible.

Where prospective pricing mechanisms are feasible, they should be favored over retrospective reimbursement models because they provide greater certainty for providers and reduce the operational resources devoted to payment administration. By allowing hospitals and health systems to focus on patient care rather than reimbursement reconciliation, these approaches can help ensure negotiated prices improve affordability without creating unintended barriers to access.

Preserve Access to Coordinated Specialty Pharmacy Services

Many of the drugs selected for Medicare negotiation are specialty therapies that require ongoing clinical management. Patients receiving these medications often depend upon close coordination among physicians, pharmacists, nurses, and other members of the care team throughout treatment.

Hospital-owned specialty pharmacies provide services that extend well beyond dispensing medications. Pharmacists help patients navigate insurance requirements, coordinate financial assistance, educate patients beginning complex therapies, monitor adherence, manage adverse events, and communicate with treating clinicians. These services help patients initiate therapy more quickly, remain on treatment, and achieve better outcomes.

Importantly, many of these services are not reimbursed separately. Instead, they are supported through the overall economics of specialty pharmacy. As Congress and CMS continue implementing the Medicare Drug Price Negotiation Program, policymakers should recognize that changes to pharmacy reimbursement may affect the resources available to provide these patient support services.

HOSP encourages the Committee to ensure implementation of the Medicare Drug Price Negotiation Program preserves providers' ability to continue delivering coordinated, pharmacist-led care. Successfully reducing the price of medications should not come at the expense of the clinical services that help patients access, initiate, and remain on therapy.

Continue Simplifying Program Administration

The long-term success of Medicare drug price negotiation will depend not only on negotiated prices, but also on whether the program can be administered efficiently by CMS, manufacturers, plans, pharmacies, and providers.

HOSP encourages the Committee to continue monitoring implementation and identify opportunities to simplify operational requirements, improve guidance, and reduce unnecessary administrative burden as experience with the program grows. Ongoing refinement will help ensure the program achieves its affordability goals while allowing hospitals and health systems to continue delivering coordinated care to Medicare beneficiaries.

III. Strengthening the Pharmaceutical Supply Chain

Prescription drug affordability depends on more than the price established by manufacturers. Patients ultimately experience the combined effects of manufacturer pricing, insurance benefit design, pharmacy benefit management, reimbursement policies, and administrative requirements. As the Committee considers opportunities to improve prescription drug affordability, HOSP encourages Congress to pursue reforms that promote transparency, strengthen competition, and support patient access to coordinated specialty pharmacy services.

Advance Meaningful Pharmacy Benefit Manager Reform

PBMs play an important role in administering prescription drug benefits and negotiating with manufacturers and health plans. However, certain business practices can create unnecessary barriers for patients receiving specialty medications and increase administrative complexity for providers.

Hospital-owned specialty pharmacies frequently encounter reimbursement methodologies that lack transparency, retroactive payment adjustments that create financial uncertainty, and network designs that limit patients' ability to receive medications through pharmacies integrated with their physicians and care teams. These practices can disrupt continuity of care, delay treatment, and increase the administrative resources required to coordinate therapy.

HOSP encourages the Committee to continue advancing bipartisan PBM reforms that improve transparency, prohibit spread pricing, limit inappropriate retroactive clawbacks, and ensure reimbursement methodologies are fair, predictable, and consistently applied. Greater transparency will help policymakers better evaluate how prescription drug dollars move through the pharmaceutical supply chain and identify opportunities to improve value for patients and taxpayers.

Preserve Patient Choice and Care Coordination

Patients receiving specialty medications often require close coordination among physicians, pharmacists, nurses, and other members of the care team. Hospital-owned specialty pharmacies are integrated into this clinical environment, allowing pharmacists to communicate directly with treating providers, access relevant clinical information, and address issues that could otherwise delay treatment.

Certain benefit designs and contracting practices can make it more difficult for patients to receive medications through the specialty pharmacy most closely connected to their care team. Exclusive pharmacy networks, restrictive network participation requirements, and reimbursement policies that disadvantage hospital-owned specialty pharmacies may disrupt established care relationships and require patients to obtain medications from pharmacies that operate independently of their treating providers.

As Congress considers reforms affecting pharmacy networks and benefit design, HOSP encourages the Committee to preserve patients' ability to receive specialty medications from clinically appropriate providers. Policies should support fair participation in specialty pharmacy networks, promote transparent contracting and reimbursement practices, and avoid unnecessary barriers that fragment care or limit patient choice.

When patients can obtain specialty medications through pharmacies integrated with their health care providers, pharmacists are better positioned to identify adherence challenges, coordinate changes in therapy,

communicate with prescribers, and respond quickly when clinical issues arise. Preserving these integrated models of care will help ensure drug pricing reforms improve affordability without compromising the coordination that many patients with complex conditions depend upon.

Promote Transparency Throughout the Pharmaceutical Supply Chain
Improving transparency should remain a central objective of federal prescription drug policy.

Patients, providers, employers, and policymakers all benefit from greater visibility into the financial and operational practices that influence prescription drug costs. Transparency supports better policymaking, promotes accountability across the pharmaceutical supply chain, and helps ensure savings generated through reforms are ultimately reflected in lower costs and better access for patients.

HOSP encourages the Committee to continue pursuing policies that improve transparency while minimizing unnecessary reporting burdens on providers. Whenever possible, reporting requirements should leverage existing data systems, avoid duplicative submissions, and focus on information that meaningfully informs policymaking.

Conclusion

HOSP appreciates the Committee's leadership in examining policies to improve prescription drug affordability and strengthen the pharmaceutical supply chain. As Congress considers future legislative proposals, we encourage the Committee to recognize that the success of drug pricing reforms depends not only on the policies themselves, but also on how those policies are implemented across the health care system.

Hospital-owned specialty pharmacies work every day to help patients navigate insurance requirements, overcome financial barriers, coordinate care, and safely manage complex therapies. This experience provides HOSP with a practical perspective on how federal drug pricing policies affect patient access after a prescription has been written. Reforms that reduce unnecessary administrative complexity, promote transparent and predictable payment systems, and support coordinated care will improve both the patient experience and the effectiveness of federal health care programs.

HOSP appreciates the opportunity to provide these comments and looks forward to working with the Committee as it continues to develop balanced, patient-centered prescription drug policies. HOSP believes Congress can improve prescription drug affordability while preserving timely access to specialty medications and the coordinated pharmacy services that help patients access, initiate, and remain on life-changing therapies. Thoughtful implementation will be essential to achieving both goals.

Sincerely,

Tim Affeldt
President
Health System Owned Specialty Pharmacy Alliance