

United States Senate

WASHINGTON, DC 20510

August 1, 2025

Mr. Chris Hatwig
Chief Executive Officer
Apexus LLC
290 E. John Carpenter Freeway
Irving, Texas 75062

Dear Mr. Hatwig,

I write to request information concerning financial practices your company has reportedly been engaged in as the 340B program's Prime Vendor.

A number of former Apexus employees have filed complaints accusing Apexus of working to boost drug sales through the 340B program, to generate more revenue for itself. According to reporting by the *New York Times*, former employees have raised allegations of a variety of tactics, including:

- Using its exclusive access to sales data “in ways to drive revenue for itself,” including through a “purchasing optimization team” created to help hospitals generate more sales through the 340B program; and
- Advising providers to “mine” their records for potentially eligible patients as far back as 36 months.¹

Congress created the 340B program to allow Disproportionate Share Hospitals (DSH), community health centers, and other safety net health providers to purchase prescription drugs from manufacturers at a discounted price.² In 2023, 340B providers (covered entities) purchased \$66.3 billion in outpatient drugs through the 340B program, and as of 2022, the program served over 10 million patients across the country.³

¹ *How a Company Makes Millions Off a Hospital Program Meant to Help the Poor*, New York Times (Jan. 15, 2025) (online at <https://www.nytimes.com/2025/01/15/us/340b-apexus-drugs-middleman.html>).

² Health Resources & Services Administration, *340B Drug Pricing Program* (September 2024) (online at <https://www.hrsa.gov/opa>).

³ Health Resources & Services Administration, *2023 340B Drug Covered Entity Purchases* (October 2024) (<https://www.hrsa.gov/opa/updates/2023-340b-covered-entity-purchases>); National Conference of State Legislatures, *State Options for Managing the 340B Drug Pricing Program* (July 2022) (<https://www.ncsl.org/health/state-options-for-managing-the-340b-drug-pricing-program>).

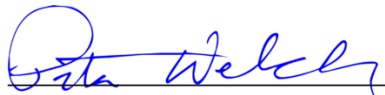
Apexus's revenues have grown as the 340B program has expanded—doubling in just five years between 2018 and 2022, with profit margins above 80%. According to documents obtained by the *Times*, Apexus employees were incentivized with bonus compensation tied to revenue growth.⁴

The 340B statute sets a narrow role for the Prime Vendor and the activities described above appear to extend beyond the scope contemplated in statute.⁵

Accordingly, I ask for the following information and a staff briefing by August 14, 2025:

1. Please describe Apexus's bidding process for the 340B Prime Vendor program.
2. Please explain the financial structure of Apexus's 340B contract, including how Apexus earns money through the Prime Vendor contract, whether that income is provided by tax dollars or from regulated parties, and what reporting obligations (if any) Apexus has related to the 340B drug pricing program.
3. Please provide a breakdown of costs Apexus incurs in administering the Prime Vendor Program.
4. Please describe Apexus's ownership structure, including the ownership structure of Apexus's parent company, Vizient, and identify what controls are in place to prevent conflicts of interest.
5. Please provide copies of any presentations from Apexus to the Health Resources & Services Administration (HRSA), including but not limited to the February 14, 2024, presentation from Apexus President Chris Hatwig to HRSA that showed continued program growth.
6. Please describe what program monitoring and auditing mechanisms Apexus has in place to ensure that the program operates within the scope contemplated in statute.

Sincerely,



Peter Welch
United States Senator

⁴ *How a Company Makes Millions Off a Hospital Program Meant to Help the Poor*, New York Times (Jan. 15, 2025) (online at <https://www.nytimes.com/2025/01/15/us/340b-apexus-drugs-middleman.html>).

⁵ 42 U.S.C. § 256b.