



COALITION AGAINST SOCIALIZED MEDICINE

a Project of THE CONSERVATIVE POLITICAL ACTION COALITION

February 24, 2026

Via Electronic Delivery

The Honorable Mike Johnson
Speaker of the House
United States House of Representatives
Washington, D.C. 20515

The Honorable John Thune
Majority Leader
United States Senate
Washington, D.C. 20510

Dear Speaker Johnson and Majority Leader Thune:

On behalf of the Coalition Against Socialized Medicine (CASM), we respectfully urge Congress to reject [H.R. 7391](#), introduced by Representatives Jack Bergman (R-MI) and Jake Auchincloss (D-MA). This legislation would amend Title II of the Public Health Service Act to ensure that Federally Qualified Health Centers (FQHCs) are not required to pay more than the 340B ceiling price for covered outpatient drugs. While framed as a protection for certain providers, the bill risks undermining broader efforts to reform a program that has strayed far from its original purpose.

Congress created the 340B program to help low-income and underserved patients access discounted medications. However, due to limited oversight and a lack of transparency requirements, the program has evolved into one that too often benefits covered entities rather than the patients it was intended to serve. Instead of lowering out-of-pocket expenses, 340B revenue has been frequently used to fund facility expansions, inflate administrative salaries, and support unrelated operational expenses. This diversion of program savings away from patients undermines public trust in federal programs and contributes to larger concerns about waste, fraud, and abuse within the healthcare system.

FQHCs have historically engaged in practices that raise concerns about accountability and patient treatment. For example, there have been several documented instances in which patients were sued over low, unpaid medical bills—as little as [\\$59](#)—and several legal disputes have alleged mismanagement of funds within organizations. Furthermore, in a 2022 lawsuit against the [Borrego Community Health Foundation](#), former executives were accused of self-enrichment schemes while the organization was claiming to serve low-income communities.

Examples such as these underscore a broader concern: without stronger oversight and transparency, federal healthcare programs will continue to be abused by unchecked participating entities. When substantial federal funds are involved, even a single instance of misuse erodes trust and calls the use of resources into question. Implementing a rebate-based model without safeguards could exacerbate these issues, creating additional opportunities for exploitation within the 340B program.

H.R. 7391 would shield certain covered entities from reforms designed to improve transparency and accountability, including a rebate-based model that could better track how 340B savings are generated and used. A properly structured rebate model would guarantee that eligible program participants are not duplicating discounted drugs while introducing much-needed oversight mechanisms to ensure program

benefits are used as Congress intended. By carving out protections for specific entities without addressing the program's structural flaws, this legislation risks perpetuating the very problems that have allowed misuse to occur.

CASM supports reviving the Trump administration's 340B Rebate Model Pilot Program to help patients, not pad provider margins. Rather than advancing legislation that limits accountability, Congress should focus on strengthening transparency requirements, improving oversight, and ensuring that federal healthcare programs serve the patients they were designed to protect.

Sincerely,

A handwritten signature in black ink that reads "Andrew M. Langer". The signature is written in a cursive style with a large, stylized initial "A".

Andrew Langer
Executive Director
Coalition Against Socialized Medicine (CASM)