



# COALITION AGAINST SOCIALIZED MEDICINE

*a Project of* THE CONSERVATIVE POLITICAL ACTION COALITION

**To: Hon. Thomas J. Engels, Health Resources & Services Administration**

**From: Andrew Langer, Executive Director, Coalition Against Socialized Medicine**

**Date: April 20, 2026**

**Re: Comments on HRSA's Notice of the 340B Rebate Model Pilot Program Request for Information, Docket #HRSA-2026-03042, Published April 20, 2026**

---

## **Introduction**

The Coalition Against Socialized Medicine (hereafter “CASM”) respectfully submits the following comments to the to the Health Resources & Services Administration (“HRSA”) of the Department of Health and Human Services (“HHS”) in response to the 340B Rebate Model Pilot Program Request for Information, Docket #HRSA-2026-03042, published in the Federal Register on February 17, 2026.

CASM is a coalition of allied free-market, limited-government policy research, education, and advocacy organizations, and is led by the Conservative Political Action Coalition (“CPAC”), a non-profit, non-partisan 501(c)(4) research, education, and advocacy organization based in Alexandria, Virginia.

Our coalition is dedicated to defending the free-market principles that uphold America’s healthcare system. CASM supports reforms that strengthen transparency and oversight, expand access to care, and help ensure that healthcare programs operate in a manner that truly benefits the vulnerable populations they are intended to serve.

## **340B Has Strayed from Its Original Purpose**

The 340B program was established in 1992 as part of the [Veterans Health Care Act](#) to provide affordable prescription drug prices to lower-income patients and vulnerable demographics. However, over time, the program has expanded significantly while oversight and transparency have not kept pace.

As a result, there is growing concern that the current structure does not consistently ensure that 340B savings are being used to reduce costs for the vulnerable patients the program was designed to help. Rather than passing along discounts to patients—as the program originally intended—many covered entities retain those discounts and generate substantial profits. As a result, 340B’s drug sales continue to grow [more than 20% annually](#), and healthcare costs remain high.

The current program structure leaves it vulnerable to exploitation. Under the proposed Rebate Model Pilot Program, enhanced transparency and reporting requirements would help ensure that drug discounts are

directed to the patients who need them the most and that participating hospitals deliver meaningful cost savings. This reform represents a critical step toward verifying that eligible patients receive the lower-cost medications the program was designed to provide.

### **Illegal Duplicative Discounts are Slipping Through the Cracks**

As the program has expanded, oversight has lagged behind. This has enabled covered entities and providers to authorize illegal, duplicative discounts that further drive up healthcare costs. Under federal law, manufacturers must either provide the 340B discounted price or offer a Medicaid rebate for a drug—never both. Yet because the program lacks adequate safeguards, there are no reliable reporting requirements in place to identify when a drug has already been purchased at the 340B price.

This gap enables “double-dipping,” in which participating hospitals receive the 340B discount while manufacturers simultaneously pay Medicaid rebates on the same medicines. In 2019 alone, participating hospitals were estimated to have claimed as much as [\\$1.5 billion](#) in 340B discounts on drugs for which manufacturers also paid Medicaid rebates. The lack of integrity throughout the program keeps healthcare costs high and adds unnecessary expenses to the system.

### **Conclusion**

A properly implemented 340B Rebate Model Pilot Program would help curb waste, fraud, and abuse while strengthening the integrity of the 340B program. By ensuring discounts are used as intended and introducing long-overdue transparency measures, a rebate model would increase accountability within the system. CASM is encouraged to see HRSA taking steps to improve the program and solicit public feedback. The agency should continue to pursue reforms that restore integrity not only to 340B, but to America’s healthcare system as a whole, to prevent further abuse and help patients access affordable care.

The rebate model places a strong emphasis on transparency and would help realign the program with its original purpose of delivering lower-cost care to patients. Strengthened data collection would provide clearer insight into how discounts are used and equip participating hospitals to better serve patients. If the rebate model proves more effective than the current discount model, the Department of Health and Human Services should take steps to make the model permanent.

Thank you for considering this matter.

Sincerely,

A handwritten signature in black ink that reads "Andrew M. Langer". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Andrew M. Langer  
Executive Director  
Coalition Against Socialized Medicine