

What They Are Saying

340B Rebate Model



"A **340B Rebate Model Pilot Program** would provide flexibility without burdensome oversight and give manufacturers the opportunity to select drugs on the Medicare Drug Price Negotiation list to provide post-sale rebates to 340B CEs. The discounts would be determined by reimbursing the difference between the acquisition cost and the 340B ceiling price based on claims-level data. The CEs must submit claims data within 45 days of drug dispensation, rebates must be issued within 10 days unless there is a documented reason for a denial, and disputes must follow the current HRSA process. The pilot program would also eliminate duplicate discounts by preventing manufacturers from offering Medicaid and 340B discounts on the same drug; increase the transparency of transactions and rebate timelines and provide a better audit trail through claims-based tracking." – [Thomas Schatz, President, Citizens Against Government Waste](#)



"HRSA's proposed rebate pilot is an encouraging step toward bringing much-needed transparency and accountability to the 340B program. Rebates work well in other federal programs, like Medicaid, and applying them to the opaque 340B program could strengthen program integrity without disrupting patient care. By creating a more streamlined rebate system, the pilot prevents duplicative discounts on the same drug while providing providers with a clear, predictable reimbursement process—all at a lower cost to taxpayers" – [Gerard Scimeca, President, Consumer Action for a Strong Economy \(CASE\)](#)



"This is a program in need of reform and greater oversight. A rebate-based model introduces a necessary structural correction. Basic transparency and program integrity require claims-level verification before a 340B discount is realized. **A revised program that moves to a rebate approach would help achieve this goal by ensuring discounts are only applied to eligible claims.** This shift would bring the program closer to standard practices across the healthcare system, where payment follows verification." – [Joel White, President, Council for Affordable Health Coverage](#)



"We commend the Health Resources and Services Administration (HRSA) for its continued engagement in strengthening the 340B Drug Pricing Program through the exploration of a rebate model pilot initiative. Seeking stakeholder input through this Request for Information (RFI) is a positive step forward following legal challenges to previous efforts to reform 340B's opaque payment practices"....

"NTU's point here is that there are many government-driven factors that impact the fiscal state of hospitals, and HRSA should not be deterred from experiments that address just one area of 340B hospitals' operations. HRSA should take every opportunity to make incremental gains to the body of policy knowledge that will be necessary to approach larger 340B reforms from an informed and thoughtful perspective." – [Pete Sepp, President National Taxpayers Union](#)



“Years of lax oversight and enforcement, however, have allowed the 340B program to grow exponentially. In 2024, 340B covered entities purchased \$81.4 billion in drugs through the program -- up from just \$6.6 billion in 2010. Today, 340B largely serves as a profit center for over 14,000 covered entities around the country. The vast majority of 340B-enrolled hospitals provide lower-than-average levels of charity care....

“A rebate model would bring much-needed transparency and accountability to the program and return it to its original mission. And for that reason, we strongly support it.”
– [Sally C. Pipes, President, CEO; Thomas W. Smith, Fellow in Health Care Policy; Wayne Winegarden, Sr. Fellow in Business & Economics, and Director of the Center for Medical Economics, Pacific Research Institute](#)



“Paragon applauds HRSA’s new program as a welcome start to reforming the 340B Program. **This rebate model pilot program will ensure stronger program integrity and eliminate illegitimate duplication of discounts between MFP and 340B**, while ensuring CEs still promptly receive the 340B discounts they are entitled to. ...Overall, until this pilot program and other reforms are scaled and expanded, 340B will continue to fuel and reward practices of covered entities that actively undermine the intent of the program. The savings produced from 340B discounts were meant to help serve the poorest populations; the program now prints money for the wealthiest hospital systems, which seldom pass discounts to patients, all at the expense of generally higher prices for consumers. It is critical to correct this dysfunction and restore the intended purpose of the 340B Program by placing patients’ needs ahead of health system subsidies.” – [Brian Blasé, President; Jackson Hammond, Senior Policy Advisor; Gabrielle Kalisz, Program Manager at Paragon Health Institute](#)



“Although the 340B program was originally created to help underserved populations, it has consistently failed to do so and is plagued by inefficiencies, misuse, and unintended costs that undermine its original intent. **Reforms like clearer eligibility criteria, enhanced oversight, and a transparent post-purchase rebate model are essential to restoring the program’s integrity and ensuring that benefits reach low-income and uninsured individuals.** Thank you for your continued attention to this critical issue.” – [Taxpayers Protection Alliance](#)



“A claims-level rebate reconciliation mechanism is not only permissible under federal statute — it is increasingly necessary to harmonize overlapping federal drug pricing obligations. **By preventing unlawful duplicate discounts and ensuring that manufacturers provide only the single discount required under law, the 340B rebate pilot protects funding for high-risk biomedical research and U.S. drug innovation, thereby maintaining U.S. leadership globally.** By reducing billions in cost-shifting to the commercial market, it also helps stabilize premiums, limit upward pressure on list prices, and create a more predictable, accountable system that protects consumers and American global competitiveness. Therefore, HRSA should continue advancing the rebate model pilot and establish clear operational standards.” – [Kent Kaiser, Ph.D., Executive Director, Trade Alliance to Promote Prosperity](#)



“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.” - [Andrew Langer, Executive Director, Coalition Against Socialized Medicine](#)
