



ADVOCATES FOR
COMMUNITY
HEALTH

Statement for the Record

Senate Committee on Health, Education, Labor and Pensions (HELP)
The 340B Program: Examining Its Growth and Impact on Patients
October 23, 2025
Submitted on November 6, 2025

[Advocates for Community Health](#) (ACH) appreciates the leadership of Chairman Cassidy and Ranking Member Sanders in holding this hearing on the 340B Program. During this hearing, ACH was gratified by the substantive discussion and felt that Members across the Committee were thoughtful, productive, and focused on reforming the 340B program in ways that support care for the underserved.

ACH is a nonpartisan membership organization focused on visionary and innovative policy and advocacy initiatives to effect positive change across the nation's health care system. Rooted in community health, our membership comprises forward-thinking, federally qualified health centers (FQHCs) that are leading the way in modeling comprehensive, integrated primary care and cutting-edge innovation to help shape a rapidly evolving health care landscape. Our 46 members serve over 3 million patients across 26 states, Puerto Rico, and the District of Columbia.

The 340B Program is one of the essential building blocks of the primary care safety net in the United States. Without it, community health centers would not be able to provide high quality, comprehensive care to over 34 million people every year. The 340B Program fills the gap between the cost to provide the highest standard of care and levels of funding, as Congress intended. While health centers accounted for just 5.4% of 340B purchases in 2023 ([HRSA](#)), the program has an outsized impact on the work FQHCs do.

Health centers have limited flexible funding streams at their disposal and use their 340B savings for services that are non-reimbursable or more expensive to provide. By allowing the purchase of drugs at the discounted 340B price, health centers and other covered entities can funnel savings into serving more patients and providing expanded services. Examples of services health centers provide with help from the 340B program include access to healthy food, mobile mammography, transportation to and from appointments, school-based clinics, and community outreach programs, including employing community health workers.

Health centers also rely on external [contract pharmacies](#) that allow patients easier access to 340B medications, including conveniently mailing patients their medications. These arrangements are particularly beneficial in rural communities, where health centers may be farther apart, and access to a local pharmacy is a better way to facilitate patient access to care. It is also essential for health centers that do not have an in-house pharmacy, which are expensive to establish and resource-intensive to maintain.

Building capacity at health centers is especially important as the nation faces the rising crisis of chronic disease and their associated economic impact. Health centers depend on the 340B program to meet their mission, putting every dollar received back into the communities they serve.

However, ACH recognizes that the program needs statutory reform in order to continue to operate effectively. Unlike other entities, health centers are required [by law](#) to reinvest any “program income,” including 340B savings, “to defray program costs.” Therefore, community health center 340B savings will always directly support expanding clinical services and improving patient care. We support and appreciate the work of the Senate “Gang of Six,” and stand ready to work with them and the full HELP Committee to move reform forward. We urge the Committee to keep these central principles in mind:

1. Improve Covered Entity Transparency and Accountability

- Entities should be responsible for tracking and reporting on the use of 340B savings
- Entities should be required to provide a sliding fee scale for drugs purchased under the 340B Program for patients under 200% of the Federal Poverty Level
- Funds generated from program savings must be reinvested into program operations, patient care, and the community that the entity serves
- Entities should be subject to compliance audits

2. Shore Up Program Protections

- Pharmaceutical companies should be required to provide the full 340B discount at the time of purchase
- Health insurance and PBM discrimination, including reductions in reimbursement, should be strictly prohibited
- Entities abiding by compliance requirements should be permitted to establish the number contract pharmacy arrangements necessary to serve their communities

To ensure that this new structure works, Congress should grant the Health Resources and Services Administration (HRSA) regulatory authority to hold all entities participating in the program accountable.

Thank you for the Committee’s dedication to improving the 340B program and considering the unique role of 340B for community health center funding.