



REFORMING THE 340B DRUG PRICING PROGRAM

THE ISSUE

Community Health Centers (CHCs) are a prime example of the intent behind the 340B program: to stretch scarce resources and expand care to underserved communities as effectively as possible. CHCs are required to reinvest 340B savings directly back into patient care, maximizing impact and fostering healthier communities. CHCs represent less than 7% of purchases under the program, but 340B has an outsized impact on the care CHCs are able to provide.

Today, the program is under threat. Pharmaceutical manufacturers, pharmacy benefit managers (PBMs), insurers, and federal entities are taking actions that undermine congressional intent and erode CHC access to 340B savings—putting patient care at risk.

THE OPPORTUNITY

ACH envisions a 340B program that functions exactly as Congress intended: a stable, reliable resource that allows health centers to stretch scarce federal dollars and expand access to care. Recent analysis of ACH member data shows that **one in every four dollars of 340B savings supports care for rural Americans**. Savings directly support patient services, including:

- Keeping rural clinics open
- Expanding telehealth services
- Operating mobile and school-based clinics
- Providing transportation and other enabling services

ACH supports comprehensive 340B reform that strengthens transparency and accountability **without restricting CHC participation or reducing patient access to affordable medications**.

POLICY PRIORITIES

ACH urges Congress to strengthen and sustain the 340B Drug Pricing Program by:

- 1. Protecting CHCs against the 340B Rebate Model Pilot Program set to take effect Jan. 1, 2027**, which ends upfront discounts and creates costly administrative burdens.
- 2. Preserving full access to contract pharmacies**, ensuring patients can obtain affordable medications where they live.
- 3. Preventing discriminatory PBM and insurer practices** that reduce or divert 340B savings.
- 4. Strengthening federal oversight and enforcement** to uphold congressional intent and program integrity.

ACTION NEEDED BEFORE JAN. 1

Congress should direct HHS to stop implementing this pilot, or at the very least delay implementation pending congressional consideration of reform proposals. ACH backs the bipartisan SECURE and SUSTAIN 340B proposals.