

The 340B Rebate Model Delay Act
Talking Points
October 2026

Ask

- Please cosponsor the **340B Rebate Model Delay Act, HR 10770**, to protect upfront 340B discounts and prevent implementation of the 340B Rebate Model Pilot Program for two years, giving Congress time to consider comprehensive, bipartisan 340B reform.

Rebate Model

- The 340B Rebate Model Pilot Program is set to take effect January 1, 2027, and would change how community health centers and other covered entities receive 340B discounts for certain drugs.
 - Today, health centers receive the 340B discounted price when they purchase a drug.
 - Under the rebate model, health centers would pay the full purchase price upfront and receive the 340B discount later through a rebate.
- The rebate model would create significant financial and administrative challenges for community health centers.
 - **UPFRONT COSTS** - Health centers are projecting hundreds of thousands of dollars in additional upfront costs to purchase drugs while they wait to receive rebates.
 - **LOST SAVINGS** - Some health centers have indicated they may have to forgo prescribing certain medications because they cannot afford the upfront costs. This could mean patients lose access to medications and health centers lose 340B savings.
 - **ADMINISTRATIVE BURDEN** - Health centers would have to manage new data reporting, rebate tracking, and dispute processes across manufacturers, third-party administrators, and contract pharmacies.
- Community health centers are a small part of the overall 340B program, but the program has an outsized impact on their ability to serve patients and communities.
 - Health centers account for about **7%** of purchases in the 340B program but serve more than **32.7** million people annually.
 - Health centers reinvest 340B savings back into patient care and services, including keeping clinics open, operating mobile and school-based clinics,

expanding telehealth, and providing transportation and other enabling services.

What the Bill Does

- **Preserves upfront 340B discounts for two years.**
 - From January 1, 2027, through December 31, 2028, manufacturers would be required to offer covered outpatient drugs at the 340B ceiling price as a reduction in the purchase price, rather than through retrospective rebates or other post-sale payments.
 - This ensures health centers can continue receiving their 340B discounts upfront rather than paying more for drugs and waiting to receive the savings later.
- **Prevents implementation of the 340B Rebate Model Pilot Program.**
 - During the two-year period, the Department could not implement the Pilot or a substantially similar program.

Why a Two-Year Pause Is Needed

- Congress is already considering bipartisan proposals to reform the 340B program, including:
 - **S. 5244, the SUSTAIN 340B Act**, introduced by Senators Tammy Baldwin (D-WI), John Boozman (R-AR), Shelley Moore Capito (R-WV), John Hickenlooper (D-CO), Tim Kaine (D-VA), and Jerry Moran (R-KS)
 - **H.R. 9599, the SECURE 340B Act**, Representatives Scott Peters (D-CA), John Joyce (R-PA), Jake Auchincloss (D-MA), Dan Crenshaw (R-TX), and Nanette Diaz Barragan (D-CA).
 - These proposals address the rebate model along with other longstanding issues facing the 340B program.
- Congress should have the opportunity to fully consider these proposals before a major change to the 340B program takes effect.
- A two-year pause would protect the current upfront discount structure while Congress considers broader reforms, rather than allowing the Administration to move forward with the rebate model in the meantime.
- Plus, it gives safety net providers already facing financial and administrative challenges time to fully prepare for the pilot's launch.