

HHS Approves Pharma's Drug Discount Rebate Models for Pilot (1)

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The US Department of Health and Human Services approved select drugmakers' proposals to discount medicines through rebates under a federal drug program, greenlighting plans that will change how medicines reach low-income and uninsured patients.

Drugmakers including Bristol Myers Squibb Co., Novo Nordisk A/S, and AstraZeneca PLC received the rubber stamp for their models to participate in a rebate pilot under the federal 340B Drug Pricing Program, according to an updated webpage from the HHS's Health Resources and Services Administration.

Manufacturers under the 340B program currently provide up-front drug discounts to covered entities, such as qualifying safety-net hospitals, clinics, and providers that treat a disproportionate number of low-income and uninsured patients.

But under the pilot, the health providers would buy medicines at full price and then submit data to drugmakers to receive a rebate.

Covered entities have long worried that rebate models would introduce cash flow and operational issues, while the pharmaceutical industry argued they ensure drug discounts are going to eligible patients amid the program's massive growth.

The agency proposed the pilot program earlier this year, and has now approved eight plans that are slated to go into effect Jan. 1, 2026.

HRSA faces ongoing lawsuits from pharmaceutical giants over the agency's previous rejections to proposed rebates made under the Biden administration.

"The Pilot Program will help to inform the development of a process for approving future models that are consistent with the 340B statute and the Administration's goals," the agency said on its website.

A spokesperson for HRSA said in an email that the drugmakers' "participation will generate valuable insights that shape future improvements to the program."

The agency currently limits participation of the rebate pilot to manufacturers with medicines selected for the first round of the Medicare Drug Price Negotiation Program, as the prices for those medicines will go into effect Jan. 1, 2026.

AstraZeneca, Bristol Myers, and Amgen Inc. confirmed its models were approved.

“We hope this pilot will serve as a foundation for broader adoption of expanded rebate models covering additional medicines to strengthen oversight,” a spokesperson for Bristol Myers said in an email.

Boehringer Ingelheim, also participating in the pilot, said Thursday it was updating its policies “to participate in the HRSA-approved 340B Rebate Model Pilot Program, reinforcing our commitment to patient-centered care and helping ensure the program delivers meaningful benefits to those it was designed to serve.”

Additional manufacturers in the pilot include Pharmacyclics, Merck & Co., and Johnson & Johnson, with some of their drugs treating diabetes, heart failure, and inflammatory and autoimmune diseases.

Other drugmakers didn’t immediately respond to request for comment.

(Updated with confirmation from Amgen and Bristol Myers starting in 11th paragraph.)