



340B Program Update

November 13, 2025

TO: Selected Clients

FROM: Devon Seibert-Bailey, Sr. VP

Overview

The 340B Drug Discount Program is still being hotly debated on the Hill and within the Administration. Pharma is intensifying its anti-340B lobbying. Below is a summary of some recent developments.

HRSA's Rebate Pilot Program

HRSA announced that the agency approved eight drug companies - and nine drugs - to participate in a controversial pilot starting in January where traditional upfront discounts on drugs sold through the 340B drug discount program will be scrapped in favor of post-purchase rebate payments to eligible facilities.

On Capitol Hill, some key staff we have been meeting with are voicing concerns about data that could compromise patient confidentiality with the approved change from HRSA's original proposal that includes medical claims data requirements that expand the types of information covered entities must submit to obtain rebates.

The drugs that HRSA approved for the pilot program are:

- Bristol Myers Squibb' Eliquis
- Amgen' Enbrel
- AstraZeneca' Farxiga
- Pharmacyclics' Imbruvica
- Merck's Januvia
- Novo Nordisk's Fiasp
- Boehringer Ingelheim' Jardiance
- Johnson & Johnson's Stelara and Xarelto

All approved drugs under HRSA's 340B rebate pilot will apply to all covered entity types. All eight approved manufacturers will operate through Beacon Channel Management, a drug industry technology platform owned by Second Sight Solutions that is behind the 340B ESP claims clearinghouse. For the 340B Rebate Model Pilot Program website, click [here](#).

Congressional Activity

In what a Senate staff member called a "big nothing of a hearing," the Senate Health Committee discussed possible reforms to the 340B Program. Senators on both sides of the aisle talked about the benefits of the program and defended their hospitals on their use of the program savings.

Multiple Senators called for increased transparency in the program while Committee Chairman, Bill Cassidy (R-LA), stated that he is working on legislation that would bring 340B back to its "core mission" to give more affordable medications to low-income, rural and otherwise underserved communities. To watch the hearing and read written testimony, click [here](#). For press reports on the hearing click [here](#) and [here](#).

- Senator Tammy Baldwin (D-WI), a member of the Senate bipartisan 340B working group, stated that the group is still working legislation that will "increase transparency and ensure appropriate oversight, as well as work towards a strong patient definition and address contract pharmacies, child sites and duplicate discounts."
- In recent a meeting we had with the staff from the bipartisan group - Jerry Moran (R-KS), Tammy Baldwin (D-WI) and Shelley Moore Capito (R-WV), Tim Kaine (D-VA), Markwayne Mullin (R-OK), and John Hickenlooper (D-CO) - they confirmed that they continue to meet weekly to develop their reform legislation. Additionally, they are waiting to see what the Administration plans to do with the program – particularly whether HHS will move the authority to CMS from HRSA, as well as the next steps with the rebate program. Putting the program under CMS would likely change how the group writes their draft bill.
- In the House, several Members are in early talks to form a bipartisan 340B working group as a counterpart to the Senate "gang of six." No names have been confirmed yet and no formal timeline for any legislation is established.

PhRMA's Campaign and Media Narrative

PhRMA continues its anti-340B ad campaign and combining that with a push to crackdown on pharmacy benefit managers, aiming to influence year-end Congressional decisions. The group is out with a new ad blaming PBMs and the 340B hospital drug discount program for higher drug costs. "America is the only country in the world where middlemen take nearly 50 cents of every dollar spent on medicine," the 30-second spot says, before going on to highlight drugmakers' commitments to offer direct-to-consumer discounts for certain medicines and to invest in domestic manufacturing. The ad will run in the Washington, DC region through the end of the year. Click [here](#) for the ad.

- The Pharmaceutical Reform Alliance (dozens of groups seeking changes to pharma pricing and policy) is pushing new ads saying Big Pharma spends more of its budget on promoting drugs and in researching new medications. They say pharma spent \$200 million on direct-to-consumer ads since this summer. Click [here](#) for details and a list of the top 10.
- The American-Canadian pharmaceutical company Bausch Health announced that as of October 1 it is no longer participating in both the Medicaid Drug Rebate Program (MDRP) and the 340B Program. The announcement does not offer an explanation and directs Medicaid patients to check if they qualify to receive single-source drugs by applying to its Patient Assistance Program. Click [here](#) to view the announcement, and [here](#) for the FAQ.

For Profit Hospitals Criticize the 340B Program

Following the October 2025 Senate HELP Committee hearing on 340B, the Federation of American Hospitals (FAH) issued a strong response. FAH emphasized that over 1,000 investor-owned hospitals are ineligible for 340B discounts yet still provide more charity care on average than nonprofit hospitals and contribute significantly to local tax bases. FAH criticized the implication that HRSA lacks oversight, arguing instead for reforms that ensure the program serves its intended low-income patients. Click [here](#) to read more. AHA provided a statement for the record on the benefits of the program and how hospitals use it in their communities, click [here](#).

Conclusion

The 340B program is still very much in a precarious position. While legislative reform appears unlikely before the end of this year, we are likely to see something in 2026 with all the continued pressure for reform.

We will continue to keep you posted on important developments.