HHS Seeks Info as It Weighs Second Attempt at Drug Rebates (1)

Feb 13, 2026, 10:15 AM EST; Updated: Feb 13, 2026, 12:32 PM EST

Nyah Phengsitthy – Bloomberg Government
Reporter
To contact the reporter on this story: **Nyah Phengsitthy** in Washington
at **nphengsitthy@bloombergindustry.com**

- The US Department of Health and Human Services is seeking information on implementing a rebate system under the 340B Drug Pricing Program, which currently requires drugmakers to offer up-front discounts to health providers.

- The HHS seeks to understand administrative, operational, financial, and drug access concerns with rebates, with comments due by March 19.

- A rebate system would alter how the 340B program operates, with covered providers buying medicines at full market price and then submitting data to receive a discount, rather than receiving up-front discounts.

The US Department of Health and Human Services for the second time is seeking information on how it should implement the potential use of rebates in a drug discount program after its first proposal was shot down in federal court.

The **request for information** issued Friday weighs whether the US government should implement a rebate system under the 340B Drug Pricing Program—a federal plan that historically has required drugmakers to offer up-front discounts to health providers that treat low-income and uninsured patients.

The HHS seeks to understand the administrative, operational, financial, and drug access concerns with rebates, according to the notice. Comments are due to the government by March 19.

The move comes a week after the department decided to **reconsider** shifting the program to the rebate system after a federal court blocked the initial pilot from going into effect. The judge **ruled** the HHS didn't follow legal procedure to implement the pilot.
Rebates would significantly alter how the 340B program operates.

Drugmakers currently provide up-front drug discounts to covered safety-net hospitals, clinics, and health centers that treat a disproportionate number of low-income and uninsured patients.

Under a rebate system, however, covered providers would have to buy certain medicines at full market price and then submit data to drugmakers to receive a discount.
An official from the Health Resources and Services Administration, an agency within the HHS that oversees the 340B program, said earlier this week that the government is interested in understanding how revenue is being used by covered providers under the program.

The request for information seeks information on how covered providers collect, maintain, and retain data under 340B.

Providers, Pharma Weigh In

Safety-net hospitals and other providers have long pushed back on the potential for rebates under 340B, **raising concerns** around the cash flow and operational issues it would introduce for providers already operating on thin margins.

“A rebate model would represent a major departure from how the 340B program has operated for more than three decades and would place significant financial and operational strain on safety-net hospitals,” Maureen Testoni, president and chief executive officer of 340B Health, said in a statement Friday.

The request for information also “seems to simultaneously create an exit path” from the rebate model as the agency seeks comments on whether it should implement it, while also signaling that a rebate system would expand its reach to crack down on duplicate discounts under Medicaid and Medicare, according to Felicity Homsted, chief executive officer of FQHC 340B Compliance.

“The 30 day comment period also leaves us wondering if the future notices will follow this expeditious timeline,” Homsted said in an email.

The drug industry, however, welcomed the government’s request as manufacturers **continue to criticize** the program’s massive growth and question how providers use savings from the steep discounts they receive.

Pharmaceutical giants including Novo Nordisk A/S, Johnson & Johnson, Bristol Myers Squibb Co. were among the drugmakers that were set to participate in the rebate pilot before it was paused.

“A rebate model provides a commonsense private sector approach to prevent big hospital systems and others from double dipping within the program, which drives up costs for patients and taxpayers,” Alex Schriver, a spokesperson for the Pharmaceutical Research and Manufacturers of America, said in a statement.

“This would help modernize the 340B program, crack down on rampant abuses, and support efforts to lower drug prices for American patients,” Schriver said.