

PhRMA Launches Seven-Figure Ad Aimed at US Drug Discount Program

May 6, 2026, 6:00 AM EDT

Nyah Phengsitthy – Bloomberg Government
Reporter

- The Pharmaceutical Research and Manufacturers of America is launching a new advertising campaign targeting the 340B Drug Pricing Program, a federal plan that requires manufacturers to provide drugs at reduced prices to health providers.
- The campaign aims to expose how some hospital systems allegedly profit from the program without helping patients, with PhRMA's senior vice president saying that "340B profits have become an oversight-free goldmine for big, tax-exempt hospitals and clinics".
- The 340B program has grown significantly in recent years, with drug purchases totaling \$81.4 billion in 2024, and is drawing scrutiny from lawmakers and the US Health Secretary, who has called the program "a mess".

One of the most powerful pharmaceutical lobbying groups in Washington is launching a new seven-figure advertising blitz targeting a federal drug discount program that has ballooned in recent years.

The campaign set to run Wednesday by the Pharmaceutical Research and Manufacturers of America takes aim at the 340B Drug Pricing Program, a federal plan that requires manufacturers under Medicaid to provide drugs at significantly reduced prices to health providers that care for a high number of low-income and uninsured patients.

In the 30-second ad, a group of administrators at a fictional nonprofit hospital manipulate the program to divert 340B benefits to the hospital instead of patients, then use the money for other perks.

"As scrutiny of the 340B markup program grows, we're launching a campaign to expose how some large hospital systems profit without helping patients," Alex Schriver, PhRMA's senior vice president of public affairs, said in an email. "340B profits have become an oversight-free goldmine for big, tax-exempt hospitals and clinics that raise costs for patients, employers and taxpayers."

"Any serious affordability agenda should include hospitals who drive nearly a third of U.S. health care spending," Schriver added.

The 340B program has grown significantly in years as provider participation has boomed and more pharmacies are dispensing drug discounts, drawing scrutiny from manufacturers on whether price cuts are going to eligible patients. Congress created the program in 1992 with the intention of giving qualifying providers drug discounts to extend treatment to more patients, but some entities have been criticized for pocketing the differences.

The US Health Resources & Services Administration, overseeing the program, reported drug purchases made under the program totaled \$81.4 billion in 2024.

The growth is drawing scrutiny from lawmakers and the Trump administration. US Health Secretary Robert F. Kennedy Jr. said in a hearing before lawmakers in April that the program is “a mess” and “the only thing that can fix it is Congress.”

PhRMA is also aggressively lobbying to back efforts from major drugmakers to shift the program to a rebate system, while also filing several challenges against state laws that prohibit manufacturers from imposing restrictions on pharmacies that dispense discounted medicines.

PhRMA is the third-highest spender on federal lobbying this year, shelling out \$12.2 million in the first quarter lobbying on matters including 340B legislation (H.R. 5256), drug pricing policies, and tariffs, disclosures show.

It made for the group’s second-biggest spending quarter ever, behind the nearly \$12.9 million in the first quarter of 2025.

However, health providers under 340B have long battled against the industry’s efforts to rein-in the program.

Providers rely on 340B to use savings from discounts to provide other services to under-served patients, arguing against any changes to the program that would introduce operational and financial challenges.

Hospitals defend that the program’s growth is largely due to market and policy changes. As drug companies charge more for medicines, 340B discounts become larger and therefore translate into greater program expansion, providers say.