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# WHA Urges CMS to Scrap Plans for Potential 340B Rebate Pilot Program

On April 20, WHA commented on the Health Resource Service Administration's (HRSA) request for information (RFI) on whether it should proceed with a 340B rebate pilot program. The RFI followed CMS's previous attempt to start a pilot program in October of 2025 which was stymied after the American Hospital Association led a lawsuit to block the initial pilot. In the new RFI, HRSA asked whether it should move forward with the rebate pilot program and what it should consider as far as the potential costs and benefits of doing so.

"WHA believes that a rebate pilot is unnecessary, as it would only show the wisdom of HRSA operating 340B under a discount model for over three decades," said WHA President & CEO Kyle O'Brien. "WHA is concerned that moving 340B to a rebate model will harm hospitals by increasing their costs, something that will ultimately be detrimental to the patients and communities that hospitals serve," O'Brien continued.

While in the original pilot, HRSA intended to limit the number of drugs to the 10 drugs on the CMS Medicare Drug Price Negotiation Selected Drug list for 2026. In the new RFI, it suggested it may consider expanding that to all drugs included in the program through 2027, potentially to as many as 25 total drugs across 13 drug companies. WHA expressed concerns that this would increase the administrative burden hospitals face as more drugs would mean more claims to submit, rebates to track and reconcile and more up-front costs hospitals would be floating to drug companies while they wait for the rebates to come in.

WHA pointed out that hospitals' prescription drug costs increased 13.6% in 2025, a rate that was nearly twice as much as total hospital expense growth and four times the rate of hospital price growth according to data analyzed by the American Hospital Association.

WHA reiterated previously expressed concerns that HRSA should evaluate who would ultimately benefit.

"WHA believes that a pilot would not be in the best interests of any entity except drug manufacturers," said O'Brien. "Given that there appears to be no benefit to either taxpayers or patients treated by the covered entities that participate in 340B, there is no good reason to move forward with the pilot," he concluded.

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