



NVHPF Hosts Panel on the 340B Program: Insights and Implications

On March 19, 2026, the Northern Virginia Health Policy Forum hosted a discussion on the 340B Drug Pricing Program: Origins and Ongoing Questions. Moderated by Brittany La Couture, Vice President for Health Policy at Applied Policy, the conversation featured Greg Doggett, Healthcare Attorney at Powers Law; Elizabeth Linderbaum, Director of Regulatory Affairs at the National Association of Community Health Centers; and William Newton, Associate Editor and Senior Writer at 340B Report.

Program Purpose and Ongoing Debate

Newton explained that the [340B program](#), established in 1992, allows eligible safety-net providers to purchase outpatient drugs at discounted prices and receive reimbursement at or near the full price, with the resulting savings intended to expand patient access and services. Linderbaum noted that community health centers—which serve more than 34 million patients nationwide—reinvest the savings realized through their participation in the 340B program into patient care, funding services such as behavioral health, dental care, and care coordination. Doggett observed that manufacturers carry compliance obligations under the program, and that manufacturers and covered entities often hold differing views about the program’s intent. This tension has contributed to growing regulatory scrutiny, legal challenges, and policy debate.

The 340B Rebate Model and Federal Policy Activity

A central focus of the discussion was the proposed shift from an upfront discount model to a rebate-based approach. Doggett explained that HRSA’s proposed 340B Rebate Pilot, announced last year for the first ten drugs subject to Medicare negotiated prices under the [Inflation Reduction Act](#), would have required covered entities to pay list price upfront and then submit claims data to manufacturers in exchange for a rebate. Covered entities broadly opposed the pilot, and courts ultimately vacated and remanded it in early 2026 after [finding](#) that HRSA had not followed proper rulemaking procedures. HRSA has since issued a [Request for Information](#) on the use of rebates in a pilot model. Newton and Linderbaum noted this pilot remains likely, and that covered entities are already working with third-party administrators and technology consultants to prepare.

Operational, Technology, and Policy Intersections

Newton said that any rebate model would create significant data governance and administrative challenges, including tension over whether claims data should flow through vendors selected by manufacturers or a neutral government-contracted third party. Doggett added that new workflows, including managing disputed claims, would likely not be fully automated. Linderbaum



noted that the previous pilot’s sixty-day implementation window illustrated how little time covered entities might have to adapt.

Newton observed that 340B does not operate in isolation, flagging its intersections with Medicare drug price negotiation, Medicaid rebate rules, and emerging direct-to-consumer pricing models that could narrow the spread generating 340B savings.

Doggett discussed the [Outpatient Prospective Payment System \(OPPS\) Acquisition Cost Drug Survey](#), through which CMS is collecting acquisition cost data that could support a two-tiered Part B reimbursement approach for 340B hospitals. He said that the effort appeared to have been designed to be more legally defensible than a similar reimbursement cut struck down by the Supreme Court during the first Trump administration. Newton agreed, noting CMS appears to be checking all procedural boxes this time.

Congressional and State-Level Activity

Linderbaum noted that active bills include legislation to protect contract pharmacy access and a bill with approximately 42 co-sponsors that would exempt health centers from any rebate model. Newton reported that while committee hearings have been frequent, actual legislative action is unlikely this year given narrow margins and election-year dynamics. Doggett agreed, but noted that Senator Cassidy’s continued focus as Chair of the Senate HELP Committee may lay groundwork for action in the next Congress.

At the state level, Newton reported that 21 states—13 in 2025 alone—have enacted contract pharmacy access laws, though every one has faced manufacturer litigation. Doggett flagged that the federal government recently filed [amicus briefs](#) siding with manufacturers in two of those cases, arguing federal law preempts such state protections—a signal courts are likely to take seriously. Linderbaum expressed strong support for the state laws and also noted a parallel trend of state-level provider reporting requirements, which Newton suggested may offer a preview of what federal compromise legislation could look like.

Key Uncertainties and Looking Ahead

Linderbaum identified the two biggest uncertainties as how covered entities will access 340B-priced drugs going forward and whether contract pharmacy access will be further restricted. Newton pointed to the statute’s unusual brevity as a root cause of ongoing disputes, arguing the program is moving toward a world where courts serve as the primary arbiters of program policy. Doggett flagged an emerging issue as a few manufacturers have begun conditioning 340B pricing upon the submission of claims data for all drugs in their portfolio. He said that the covered entity community does not believe that such efforts are supported by the statute, and they could trigger a new wave of litigation.

Panelists closed by emphasizing that 340B remains a critical financial lifeline for safety-net providers operating on thin margins, that patients should remain at the center of ongoing policy debates, and that changes to the program will increasingly have ripple effects across Medicare, Medicaid, and other federal drug pricing programs.

Applied Policy®, a leading health policy regulatory and reimbursement consulting firm based in Alexandria, Virginia, proudly sponsors the Northern Virginia Health Policy Forum. The Forum brings together key thought leaders, government officials, and industry experts to discuss critical trends in American healthcare.

This extract was prepared by Applied Policy®. A recording of the event is available on the NVHPF YouTube page.