

340B Rebate Model Pilot: Improving Transparency & Accountability



340B Hospital Markup Program

Abuse of the little-known 340B hospital markup program by big, tax-exempt hospitals is driving up health care costs for patients, employers and taxpayers. The current system allows 340B hospitals to purchase medicines at steep discounts and mark them up by as much as 1000% or more.¹

Meaningful Action: 340B Rebate Model Pilot Program

In August 2025, the Health Resources and Services Administration (HRSA) announced the 340B Rebate Model Pilot Program, a straightforward, commonsense fix to help bring greater transparency and accountability to 340B.

Rebates are explicitly mentioned in the 340B statute as a mechanism for offering reduced pricing to hospitals and clinics. This pilot simply requires 340B hospitals and clinics to submit basic data needed to help make sure key legal requirements are met before receiving the 340B price through a rebate for ten medicines.

Implementing a 340B rebate model will:

Bring greater transparency.

Rebates improve program integrity by requiring data to confirm compliance with program requirements before receiving the discount, giving manufacturers the necessary information to ensure hospitals follow program rules. This will help prevent many illegal duplicate discounts.

Address the current lack of oversight.

In 2024, only 0.33% of the 60,000 entities covered in the 340B program were audited by the federal government.² That's just 200 covered entities, the same number of audits conducted in 2015 when the number of covered entities was half of what it is today.

Next Steps: Comprehensive Reform

The 340B Rebate Model Pilot Program represents a meaningful first step toward greater transparency and accountability in the program. Comprehensive reform from Congress remains critical to further address existing program abuses. It's time to build on this foundation and continue taking action to further improve 340B program integrity, transparency and accountability.

¹ North Carolina State Health Plan, "[State Treasurer Folwell Finds North Carolina 340B Hospitals Overcharged State Employees for Cancer Drugs, Reaped Thousands of Dollars in Profits Per Claim](#)," May 2024

² ADVI, "[ADVI Analysis: HRSA 340B Covered Entity Audits](#)," March 2025