



Monday, September 8, 2025

Health Resources and Services Administration  
340B Rebate Model Pilot Program  
HHS Docket Number: HRSA-2025-14619

Community Action for Responsible Hospitals (CARH), representing the interests of workers, faith leaders, healthcare providers, and patient advocates, welcomes this opportunity to provide perspectives on the Health Resources and Service Administration's (HRSA) draft guidance regarding the 340B Rebate Model Pilot Program. **We believe this pilot is a chance to lay the groundwork for stronger accountability measures that will keep 340B focused on patients and communities.**

[Recent research](#) shows just how far things have gone off track. The number of Disproportionate Share Hospitals (DSHs) in 340B has surged more than sixfold – up 565% from 2004 to 2023 – with little evidence that low-income patients benefited from that growth. Instead, after joining 340B, many hospitals boosted their financial portfolios in stocks and bonds while cutting back on free and discounted care. And staffing levels stayed flat. In short, 340B hospitals improved their bottom lines while families, workers, and communities were left behind.

**Hospital abuse of 340B is not an isolated issue – it's a clear symptom of a broader trend: the corporatization of our healthcare system, where profit comes before patients.**

As private equity firms buy up more hospitals and executive pay soars, families are burdened with rising medical debt and a declining quality of care. Today, more than [60% of all household debt in America comes from medical bills](#). The consequences are devastating: one study found that after private equity took over hospitals, [surgical infections doubled, with complications rising 25%](#). Without guardrails, 340B has become another tool for giant health systems and their business partners, like PBMs and chain pharmacies, to increase profits.

**The 340B Rebate Model Pilot is a critical first step to fixing this broken system.** By requiring hospitals to prove compliance before they receive a discount, HRSA can put the brakes on excessive markups and hold these institutions accountable. A rebate approach also stops duplicate discounts – closing loopholes and cutting out misuse that increases healthcare costs for everyone.

While hospital corporatization may be good for business, it is bad for Americans' health. CARH applauds HRSA for the development of a pilot program that takes a strong first step to prevent big hospitals from exploiting 340B while protecting resources for the underserved patients who rely on them.

**We urge HRSA and policymakers in Washington to build on this foundation and deliver real reform – making 340B work for patients in need, not padding big hospital CEO paychecks.**