



**ALLIANCE of
SAFETY-NET
HOSPITALS**

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Congressional Action Needed: Co-Sponsor H.R. 10770 to Protect Safety-Net Hospitals from the 340B Rebate Model

Beginning January 1, 2027, 340B covered entities will have to pay full price upfront for certain prescription drugs and then request rebates to obtain 340B pricing. For drugs subject to the Medicare Drug Price Negotiation Program (MDPNP), the rebate process will replace the current practice of purchasing the drugs at the discounted 340B price.

H.R. 10770, the bipartisan 340B Rebate Model Delay Act, would postpone implementation of the model for two years, through 2028. The bill was introduced by Reps. Bresnahan (R-PA-08), Dingell (D-MI-06), Mann (R-KS-01), and Frankel (D-FL-22).

Please co-sponsor H.R. 10770 and support its passage before January 1, 2027.

The Alliance of Safety-Net Hospitals (ASH) respectfully urges Congress to enact **H.R. 10770** before the new 340B rebate model takes effect on January 1, 2027.

The 340B Drug Pricing Program helps safety-net hospitals stretch limited resources to provide essential services to low-income, rural, and vulnerable patients. The rebate model would undermine that benefit by requiring hospitals to pay full price upfront for certain drugs and then navigate a complicated, resource-intensive process to recover the 340B discount.

For safety-net hospitals operating on narrow margins, paying full price while awaiting rebates would strain cash flow and add administrative work. Hospitals would have to redirect resources from patient care to finance higher upfront drug purchases and manage rebate claims.

A two-year delay would allow Congress to evaluate the rebate model's predicted effects on hospitals, patients, and the communities they serve before implementation. Co-sponsoring **H.R. 10770** would help prevent avoidable disruptions to the 340B program and preserve the upfront discounts safety-net providers rely on to maintain access to health care.

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If you have any questions about ASH's concerns or proposed solutions, please contact Kate Finkelstein, Director of Government Relations at kate@safetynetalliance.org.

