

PRESS RELEASE: New Government Prescription Program Threatens Native Health Access, Exemption Needed for Indian Health Care Providers

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FOR IMMEDIATE RELEASE

WASHINGTON, D.C. (December 17, 2025) – On December 8, 2025, the NCUIH sent a letter to HRSA Administrator, Thomas J. Engels, to request an exemption for UIOs and Indian Health Care Providers from the 340B Rebate Model Pilot Program. This request is consistent with a Tribal request that has been made by both the HHS Secretary’s Tribal Advisory Committee (STAC) and the Centers for Medicaid and Medicare Services (CMS) Tribal Technical Advisory Group (TTAG).

The National Council of Urban Indian Health (NCUIH) calls on the Health Resources and Services Administration (HRSA) to exempt Urban Indian Organizations (UIOs) and Indian Health Care Providers from HRSA’s 340B Rebate Model Pilot Program. This urgent request is to prevent the administrative and financial burden on UIOs and Indian Health Care Providers, and barriers to access to vital medications for American Indian and Alaska Native patients.

The Impact

Under the HRSA 340B Rebate Model Pilot Program, scheduled to begin January 1, 2026, covered entities will no longer receive 340B discounts at the point of purchase. Instead, entities must pay full Wholesale Acquisition Cost (WAC) upfront for [10 select drugs](#) and later submit claims to receive manufacturer rebates. Medications used to treat diabetes, cardiovascular disease, and autoimmune conditions will increase substantially in cost for UIOs, which do not have the reserves to cover these costs while awaiting uncertain rebate payments.

25 out of the 41 UIOs across the country currently participate in the 340B program. UIOs that participate in the 340B program often have limited cash reserves and narrow operating margins, relying on 340B savings to support pharmacy services and access to vital medications for their American Indian and Alaska Native patients. For UIOs and Indian Health Care Providers, this model creates an immediate risk that threatens patient access to care.



The rebate model shifts financial risk from manufacturers to health care providers, creating new

financial and operational challenges for UIOs:

- Preliminary UIO feedback indicates that upfront drug purchasing costs range from \$340,000 to \$2.4 million annually for some UIOs that participate in the 340B program. Even temporary delays in rebate payments may significantly strain UIO operating budgets.
- The pilot introduces new requirements for rebate claim submission, tracking, and reporting. These changes may require additional staffing, IT system capacity, and administrative resources.
- Increased financial and operational pressures may affect the sustainability of UIO pharmacy operations and limit the ability to stock or dispense high-cost medications, jeopardizing access to medications for American Indian and Alaska Native patients.

Resources

- [The Need for Exemption for Indian Health Care Providers from 340B Pilot](#)
- [HRSA – 340B Rebate Model Pilot Program](#)

About NCUIH

The National Council of Urban Indian Health (NCUIH) is a national representative for the 41 Urban Indian Organizations contracting with the Indian Health Service under the *Indian Health Care Improvement Act*. NCUIH is devoted to the support and development of high quality and accessible health and public health services for American Indian and Alaska Native people living in urban areas.

NCUIH respects and supports Tribal sovereignty and the unique government-to-government relationship between our Tribal Nations and the United States. NCUIH works to support those federal laws, policies, and procedures that respect and uplift Tribal sovereignty and the government-to-government relationship. NCUIH does not support any federal law, policy, or procedure that infringes upon or in any way diminishes Tribal sovereignty or the government-to-government relationship.

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