



## 12/31/2025 – HRSA Confirms Suspension of Rebate Pilot

Today, HRSA [updated its website](#) to confirm that its controversial 340B rebate model pilot program (rebate pilot) is suspended. HRSA states that it will update stakeholders on rebate pilot developments “as they arise.” The update attributes the suspension to the [preliminary injunction](#) issued in the ongoing litigation between HHS and the American Hospital Association, the Maine Hospital Association, and four hospitals. The updated language states the following:

As of noon on December 31, 2025, in accordance with the December 29, 2025, U.S. District Court for the District of Maine order in *American Hospital Association et al. v. Kennedy et al.*, No. 25-cv-600 (D. Me.), HRSA’s Office of Pharmacy Affairs (OPA) is pausing the implementation of the 340B Rebate Model Pilot Program for all covered entity types at this time. Manufacturers who were approved for participation in the Pilot to effectuate 340B pricing through a rebate mechanism will now be required to continue to offer all of their covered outpatient drugs to 340B covered entities at the 340B ceiling price as an up-front discount. OPA will update stakeholders on developments regarding the Pilot as they arise.

On Monday, Chief Judge Lance E. Walker from the U.S. District Court for the District of Maine issued the injunction blocking HRSA from implementing the rebate pilot. Since then, the First Circuit denied HRSA’s request for an administrative stay of the injunction. At the same time, the First Circuit signaled it would quickly decide whether the rebate pilot will remain paused after an expedited briefing process.

Powers will continue to monitor and share developments about the rebate pilot and related litigation. Please contact Powers’ drug pricing team, or your lead Powers attorney, if you have any questions.

Look out for further updates.