



December 8, 2025

Joaquin Duato
Johnson & Johnson
Chairman and Chief Executive Officer
1125 Trenton-Harbourton Road PO Box 200
Titusville, NJ 8560

Dear Mr. Duato:

On behalf of our nation's largest primary care system that serves 52 million people (1 in 7¹⁹) and 1 in 3 in rural America, I am writing today to follow up on the recent meeting with Johnson & Johnson's Government Affairs Head of Office. As a primary care physician in Community Health Centers (CHCs), I have prescribed your life-saving and life-changing medications and witnessed firsthand their impact on the lives of CHC patients and their families.

I valued the opportunity to highlight the role of CHCs and the urgency of our request that Johnson & Johnson exempt CHCs from your upcoming 340B rebate model pilot program, given the negative impact it will have on millions of CHC patients across our nation. I am also requesting and welcome the opportunity to have a follow-up meeting to discuss the impact on patients, families, and communities.

For the past 55 years, the National Association of Community Health Centers (NACHC) has been the leading national, nonpartisan organization dedicated to supporting CHCs (also known as Federally Qualified Health Centers), our committed 326,000 primary care workforce, and the 52 million patients we serve. For 60 years, CHCs have provided high-quality, affordable, comprehensive care – including primary, preventive, dental, behavioral health, pharmacy, vision, and other essential health services at over 17,000 locations across rural and nonrural communities. This includes 1 in 3 rural residents and 1 in 2 in poverty. As our nation's largest primary care system, there is strong evidence, including from the Congressional Budget Office, that our work saves Medicaid and Medicare billions annually by reducing costly emergency, inpatient, and specialty care.²⁰ Research shows that every dollar invested in primary care yields a 13-to-1 return in overall health system savings.²¹ Primary care cannot deliver this return on investment without access to your life-saving and life-changing medications.

Despite delivering such evidence-based value, CHCs are legally required to see all patients regardless of their ability to pay and are under extraordinary financial strain with many closing sites and letting go of primary care staff. This 340B rebate pilot program will significantly worsen the strain on an

¹⁹ <https://www.weitzmaninstitute.org/the-hidden-patient-base/>

²⁰ Volerman A, Carlson B, Wan W, Murugesan M, Asfour N, Bolton J, Chin MH, Sripipatana A, Nocon RS. Utilization, quality, and spending for pediatric Medicaid enrollees with primary care in health centers vs non-health centers. *BMC Pediatr.* 2024 Feb 8;24(1):100. doi: 10.1186/s12887-024-04547-y. PMID: 38331758; PMCID: PMC10851548.

<https://pubmed.ncbi.nlm.nih.gov/38331758/>

²¹ <https://www.oregon.gov/oha/HPA/dsi-pcpcch/Documents/PCPCH-Program-Implementation-Report-Final-Sept-2016.pdf>

already overburdened CHC workforce, will eliminate access to your life-saving and life-changing medications to millions of patients, and will likely require them to let go of their primary care workforce in order to cover additional administrative workforce and IT costs to maintain compliance with this program.

Request that CHCs are Exempt from the Rebate Pilot Program

Patients are at the forefront of every decision the CHC makes and at the core of what we work relentlessly to support. Access to your life-saving and life-changing medications is essential for our 52 million patients, their families, and their communities. To that end, for over three decades, we have been grateful for the 340B program and how it has enabled CHCs to purchase outpatient medications at significantly reduced costs, allowing them to provide your life-saving and life-changing medications to tens of millions of low-income patients. Since 70% of CHC patients are at or below 100% of the federal poverty level (an additional 20% are between 101-200% of the federal poverty level which means 90% of our patients are low-income), our 326,000 primary care workforce and 52 million patients heavily rely on access to your 340B discounted medications. This 340B rebate model pilot will restrict access to your life-saving and life-changing medications for CHC patients, who disproportionately suffer from chronic conditions such as diabetes, heart disease, and kidney failure – conditions treated by drugs subject to this rebate pilot program. This impact will be especially severe in rural communities, where CHCs serve 1 in 3, and rural patients have much higher rates of hypertension, heart disease, and diabetes.

Again, I'm grateful for the role that Johnson & Johnson and your peers play in driving innovation and producing your life-saving and life-changing medications. As a primary care physician and leader for our nation's largest primary care system, I humbly and urgently ask you to exempt CHCs from your 340B rebate pilot.

Thank you for your consideration of this urgent request to exempt CHCs from your 340B rebate pilot and my interest in meeting directly with you to share the very serious impacts of eliminating access to your life-saving and live-changing medications on the 52 million patients that CHCs serve. If you have any questions, please contact Joe Dunn, NACHC's Chief Policy Officer, at jdunn@nachc.org.

Sincerely,



Kyu Rhee, MD, MPA
President and Chief Executive Officer