



December 8, 2025

Mike Motz  
Walgreens Co.  
Chief Executive Officer  
108 Wilmot Road  
Deerfield, IL 60015

Dear Mr. Motz:

On behalf of our nation's largest primary care system that serves 52 million people (1 in 7<sup>1</sup>) and 1 in 3 in rural America, I am writing today as a primary care physician who understands the critical role pharmacists play as members of care teams and the impact pharmacies, such as Walgreens, play in helping CHC patients live healthier, fuller lives nationwide.

To that end, I urge Walgreens to reconsider its decision to stop processing 340B contract pharmacy claims for drugs included in the upcoming 340B rebate model pilot. CHCs heavily rely on contract pharmacies to maximize patient access to essential medications, and this decision jeopardizes care for countless patients who depend on these treatments. I would welcome the opportunity to meet with you to discuss the impact in detail.

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.<sup>2</sup> Research shows that every dollar invested in primary care yields a 13-to-1 return in overall health system savings.<sup>3</sup> Primary care cannot deliver this return on investment without access to 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 they 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 already overburdened CHC workforce, will eliminate access to life-saving and life-changing medications to millions of patients, and will likely require them to let go of their primary care

---

<sup>1</sup> <https://www.weitzmaninstitute.org/the-hidden-patient-base/>

<sup>2</sup> Voleman 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/>

<sup>3</sup> <https://www.oregon.gov/oha/HPA/dsi-pcpcch/Documents/PCPCH-Program-Implementation-Report-Final-Sept-2016.pdf>

workforce in order to cover additional administrative workforce and IT costs to maintain compliance with this program.

**340B Contract Pharmacies are Critical for CHC Patients**

Patients are at the forefront of every decision the CHC makes and at the core of what we work relentlessly to support. Access to 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 are grateful for the 340B program and how it has enabled CHCs to purchase outpatient medications at significantly reduced costs, allowing them to provide 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 rely on access to 340B discounted medications. This 340B rebate model pilot will restrict access to 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.

Contract pharmacies play a vital role in ensuring access to these medications. According to a NACHC survey, 86% of CHCs utilize contract pharmacies, enabling health centers to serve hundreds of zip codes. These arrangements leverage the footprint of large chains like Walgreens to assist patients who often face transportation and other non-clinical barriers to care. The recent decision by Walgreens will have a significant impact on these patients and the CHCs that serve them.

Again, I strongly urge you to reverse the decision and continue to process CHC 340B claims for the drugs included in the proposed rebate model. Thank you in advance for your consideration of this request and my interest in meeting to further discuss the role of CHCs in the healthcare system and importance of exempting CHCs from this pilot. If you have any questions, please contact Joe Dunn, NACHC's Chief Policy Officer, at [jdunn@nachc.org](mailto:jdunn@nachc.org).

Sincerely,



Kyu Rhee, MD, MPA  
President and Chief Executive Officer