

The Cost of 340B to Arizona

In 2025, workers and employers lost \$184 million in negotiated rebates to 340B

Despite advocates' claims that the 340B program is free, it raises costs for patients, employers, state and local governments, Medicare, and managed Medicaid. One way it increases costs is by displacing the negotiated rebates that are used to lower net drug prices. Research by IQVIA shows that workers and employers lost \$14.5 billion in rebates nationally in 2025 due to 340B.¹ The cost to Arizona workers and employers in 2025 was \$184 million.

Cost of 340B to Arizona workers and employers

PER BENEFICIARY	PLAN TYPE	TOTAL COST
\$49	Private sector employees ²	\$165M
	Government employees ³	\$19M
	Total	\$184M

340B also displaces rebates in managed Medicaid, which cost the state of Arizona \$29M in 2025.

Cost of 340B to Arizona managed medicaid

PER BENEFICIARY	STATE'S TOTAL COST
\$23	\$29M

The cost of 340B to Arizona has increased substantially in recent years due to program growth. From 2023 to 2025, the number of healthcare providers prescribing 340B drugs, the number of 340B facilities, and the value of 340B drug purchases all increased.

340B growth in Arizona: 2023 to 2025

340B PRESCRIBERS		340B FACILITIES ⁴		340B DRUG PURCHASES ⁵	
#	GROWTH	#	GROWTH	#	GROWTH
162,070	+38%	3,138	+12%	\$2.6 billion	+23%

Arizona has lower 340B utilization than neighboring states, leaving substantial headroom for growth as large hospital systems and contract pharmacy networks continue to expand their footprint in the state.

Arizona vs. neighbors

STATE	340B UTILIZATION ⁶	COST PER BENEFICIARY
AZ	8%	\$49
UT	17%	\$100
NM	24%	\$138
CA	11%	\$65
Total U.S.	14%	\$81

1. The cost of 340B to states. IQVIA. 2026 (to appear).
2. Includes employer-sponsored plans and ACA health plans.
3. Includes state and local government employees.
4. Based on 340B "parent" facilities, not satellite sites or contract pharmacies.
5. 340B drug purchases at Wholesaler Acquisition Cost (WAC).
6. Percentage of 340B business by state, averaged over drug purchases and claims.