

The Cost of 340B to Iowa

In 2025, workers and employers lost \$239 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 Iowa workers and employers in 2025 was \$239 million.

Cost of 340B to Iowa workers and employers

PER BENEFICIARY	PLAN TYPE	TOTAL COST
\$134	Private sector employees ²	\$204M
	Government employees ³	\$35M
	Total	\$239M

340B also displaces rebates in managed Medicaid, which cost the state of Iowa \$40M in 2025.

Cost of 340B to Iowa managed medicaid

PER BENEFICIARY	STATE'S TOTAL COST
\$74	\$40M

The cost of 340B to Iowa 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 Iowa: 2023 to 2025

340B PRESCRIBERS		340B FACILITIES ⁴		340B DRUG PURCHASES ⁵	
#	GROWTH	#	GROWTH	#	GROWTH
18,340	+15%	484	+7%	\$1.8 billion	+39%

Compared to its neighboring states, Iowa has disproportionately high 340B utilization and hence cost.

Iowa vs. neighbors

STATE	340B UTILIZATION ⁶	COST PER BENEFICIARY
IA	23%	\$134
MN	20%	\$113
WI	22%	\$126
IL	12%	\$71
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.