Fact Sheet

The Cost of 340B to **Kentucky**

In 2025, workers and employers lost $260 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 Kentucky workers and employers in 2025 was $260 million.

Cost of 340B to Kentucky workers and employers

PER BENEFICIARY	PLAN TYPE	TOTAL COST
$121	Private sector employees[2]	**$222M**
	Government employees[3]	**$38M**
	Total	**$260M**

340B also displaces rebates in managed Medicaid, which cost Kentucky $53M in 2025.

Cost of 340B to Kentucky managed medicaid

PER BENEFICIARY	STATE'S TOTAL COST
$42	**$53M**

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

340B PRESCRIBERS		340B FACILITIES[4]		340B DRUG PURCHASES[5]	
#	GROWTH	#	GROWTH	#	GROWTH
26,367	+12%	547	+15%	$4.5 billion	+33%

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

Kentucky vs. neighbors

STATE	340B UTILIZATION[6]	COST PER BENEFICIARY
KY	21%	$121
IL	12%	$71
IN	14%	$83
TN	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.

CONTACT US

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