

The Cost of 340B to Massachusetts

In 2025, workers and employers lost \$495 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 Massachusetts workers and employers in 2025 was \$495 million.

Cost of 340B to Massachusetts workers and employers

PER BENEFICIARY	PLAN TYPE	TOTAL COST
\$124	Private sector employees ²	\$437M
	Government employees ³	\$58M
	Total	\$495M

340B also displaces rebates in managed Medicaid, which cost Massachusetts \$139M in 2025.

Cost of 340B to Massachusetts managed medicaid

PER BENEFICIARY	STATE'S TOTAL COST
\$169	\$139M

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

340B PRESCRIBERS		340B FACILITIES ⁴		340B DRUG PURCHASES ⁵	
#	GROWTH	#	GROWTH	#	GROWTH
46,025	+23%	1,013	+24%	\$5.5 billion	+47%

340B utilization in Massachusetts is about the same as neighboring states, which all have elevated levels compared to national average, indicating a strong 340B presence in the whole region.

Massachusetts vs. neighbors

STATE	340B UTILIZATION ⁶	COST PER BENEFICIARY
MA	21%	\$124
NH	22%	\$127
CT	20%	\$114
RI	23%	\$131
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.