

The Cost of 340B to Minnesota

In 2025, workers and employers lost \$378 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 Minnesota workers and employers in 2025 was \$378 million.

Cost of 340B to Minnesota workers and employers

PER BENEFICIARY	PLAN TYPE	TOTAL COST
\$113	Private sector employees ²	\$333M
	Government employees ³	\$45M
	Total	\$378M

340B also displaces rebates in managed Medicaid, which cost the state of Minnesota \$69M in 2025.

Cost of 340B to Minnesota managed medicaid

PER BENEFICIARY	STATE'S TOTAL COST
\$85	\$69M

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

340B PRESCRIBERS		340B FACILITIES ⁴		340B DRUG PURCHASES ⁵	
#	GROWTH	#	GROWTH	#	GROWTH
24,556	+34%	627	+38%	\$3.5 billion	+73%

340B utilization in Minnesota is slightly lower than neighboring states, which all have elevated levels compared to national average, leaving room for growth as large hospital systems and contract pharmacy networks continue to expand their footprint in the state.

Minnesota vs. neighbors

STATE	340B UTILIZATION ⁶	COST PER BENEFICIARY
MN	20%	\$113
WI	22%	\$126
IA	23%	\$134
SD	33%	\$192
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.