

The Cost of 340B to Rhode Island

In 2025, workers and employers lost \$74 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 Rhode Island workers and employers in 2025 was \$74 million.

Cost of 340B to Rhode Island workers and employers

PER BENEFICIARY	PLAN TYPE	TOTAL COST
\$131	Private sector employees ²	\$66M
	Government employees ³	\$8M
	Total	\$74M

340B also displaces rebates in managed Medicaid, which cost the state of Rhode Island \$9M in 2025.

Cost of 340B to Rhode Island managed medicaid

PER BENEFICIARY	STATE'S TOTAL COST
\$39	\$9M

The cost of 340B to Rhode Island 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 Rhode Island: 2023 to 2025

340B PRESCRIBERS		340B FACILITIES ⁴		340B DRUG PURCHASES ⁵	
#	GROWTH	#	GROWTH	#	GROWTH
10,949	+24%	195	+35%	\$991 million	+79%

340B utilization in Rhode Island 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.

Rhode Island vs. neighbors

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