Fact Sheet

The Cost of 340B to **South Dakota**

In 2025, workers and employers lost $101 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 South Dakota workers and employers in 2025 was $101 million.

Cost of 340B to South Dakota workers and employers

PER BENEFICIARY	PLAN TYPE	TOTAL COST
$192	Private sector employees[2]	**$89M**
	Government employees[3]	**$12M**
	Total	**$101M**

340B growth in South Dakota: 2023 to 2025

340B PRESCRIBERS		340B FACILITIES[4]		340B DRUG PURCHASES[5]	
#	GROWTH	#	GROWTH	#	GROWTH
4,297	+1%	255	-7%	$1.1 billion	+28%

340B utilization varies across South Dakota and neighboring states, which all have elevated levels compared to national average, underscoring a high and uneven burden to the region.

South Dakota vs. neighbors

STATE	340B UTILIZATION[6]	COST PER BENEFICIARY
SD	33%	$192
ND	40%	$233
NE	15%	$88
MN	20%	$113
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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