

The Cost of 340B to Washington

In 2025, workers and employers lost \$432 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 Washington workers and employers in 2025 was \$432 million.

Cost of 340B to Washington workers and employers

PER BENEFICIARY	PLAN TYPE	TOTAL COST
\$98	Private sector employees ²	\$378M
	Government employees ³	\$54M
	Total	\$432M

340B also displaces rebates in managed Medicaid, which cost the state of Washington \$38M in 2025.

Cost of 340B to Washington managed medicaid

PER BENEFICIARY	STATE'S TOTAL COST
\$33	\$38M

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

340B PRESCRIBERS		340B FACILITIES ⁴		340B DRUG PURCHASES ⁵	
#	GROWTH	#	GROWTH	#	GROWTH
36,178	+35%	1,201	+59%	\$3.7 billion	+35%

340B utilization varies markedly across Washington and neighboring states, underscoring that the program's financial burden is not borne uniformly.

Washington vs. neighbors

STATE	340B UTILIZATION ⁶	COST PER BENEFICIARY
WA	17%	\$98
OR	21%	\$122
ID	27%	\$153
AK	8%	\$49
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.