As Costs Rise for Employers and Working Families, Hidden Costs of 340B Add Up

Healthcare costs are growing unsustainably for employers and families, putting pressure on wages and benefits. This growth is in large part fueled by hospital prices, which have more than tripled since 2000 thanks to a lack of transparency, rapid health system consolidation and anticompetitive practices, and steep markups by hospitals.

The 340B program was designed to help eligible healthcare providers serve vulnerable patients. But as the program has expanded — commercially insured patients and their employers paid over $130 billion for 340B drugs in 2025[1] — it is exacerbating many of the market dynamics driving up costs for working families.

Lost Savings on 340B Drugs:

In addition to reinforcing hospital consolidation, when prescriptions are filled through 340B, employer health plans may lose access to the rebates, or savings, that they negotiate through their health plan and would otherwise receive. Those lost rebates can increase healthcare spending and potentially contribute to higher premiums.[2]



$12.8B[3]

in lost drug rebates for employer health plans, up from $6.6 billion in 2023



+$415[4]

estimated annual family coverage premium increase and $137 for individual coverage



$1B[5]

in annual 340B drug price markups for state employee health plans

Workers Share Burden via Out-of-Pocket Costs:

An analysis of state employee health plans estimated that workers paid **$44 million** out of pocket above the 340B acquisition cost of their medications, since cost-sharing is typically based on the full price of the drug — not the discounted price the hospital paid.[5] Higher out-of-pocket spending can strain household budgets and may contribute to reduced medication adherence.

GREATER 340B TRANSPARENCY AND ACCOUNTABILITY ARE NEEDED TO REDUCE COSTS

Employers, workers and taxpayers deserve greater transparency into how hospitals use 340B discounts and whether those savings benefit patients. Policymakers must strengthen oversight and hold hospitals accountable for practices that drive up healthcare costs, ensuring the program serves vulnerable patients rather than contributing to higher costs for employers and working families.

1 BRG, The Size of the 340B Program (2026)
2 IQVIA, The Cost of the 340B Program Part 1: Self-Insured Employers (2024)
3 IQVIA, The Cost of 340B to States in 2025 (2026)
4 Health Capital Group, The 340B Drug Purchasing Program and Commercial Insurance Premiums (2025)
5 IQVIA, The Cost of 340B to State Employee Health Plans (2026)

Employers for Hospital Accountability

Learn more at **www.HospitalAccountabilityNow.org**.