

Follow the Money: The Oversight Gap at the Center of 340B

What began as a small safety-net program to help low-income and uninsured patients afford medicines has become a yearly quarter-trillion-dollar enterprise, with hospitals and clinics collecting roughly \$16 million every hour from 340B medicine markups.

Hospitals, clinics and their for-profit partners **pocketed \$142B from 340B medicine markups** in 2025 alone, capturing nearly 60 cents of every dollar spent on 340B medicines according to a new report from Berkeley Research Group.

\$244B What patients and payers spent on medicines purchased through 340B in 2025.

\$142B What hospitals, clinics and their for-profit partners pocketed from 340B medicine markups after buying the medicines at the 340B price.

60¢ Nearly 60 cents of every dollar spent on 340B medicines is retained as profit by hospitals, clinics and their for-profit partners.

There's little oversight of the program and no rule that requires any of this profit goes to lower patients' out-of-pocket costs. Instead, exploitation of the program is actually driving up costs for patients, taxpayers and employers. If patients aren't benefitting, where is the money going?

Growth without guardrails: Since 2020, 340B purchases have grown 152% (nearly 3x the 56% growth of the overall U.S. pharmaceutical market). Since 2021, the profit collected by 340B entities has more than doubled. The Congressional Budget Office points to hospital consolidation, expanded hospital eligibility, and the explosion of contract pharmacy arrangements as reasons for the continued growth of 340B.

The bottom line:

These trends accelerate how fast health systems can capture 340B profit, with no matching increase in transparency or clear patient benefit. It's time to bring oversight and transparency to 340B.

