New Report: Hospitals, clinics and for-profit partners pocketed $142B in 2025 from 340B

$142B

in 340B medicine markups

Nearly 60% of all spending on 340B medicines is from hospital and clinic markups.



The big windfall: 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.

Why it matters: The more big hospital systems exploit the program for profit the more it increases costs for everyone.

By the numbers:

- **$244 billion:** What patients and payers spent on medicines purchased through 340B in 2025.
- **$142 billion:** 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.

What's changed: This is a new way of measuring the size of the 340B program that represents the amount patients and payers actually spend. It includes both the amount covered entities spend to acquire the medicines and the amount hospitals, clinics and their for-profit partners make in profit from the program.

Put it in perspective: A program that began as a small safety-net program to help low-income and uninsured patients afford medicines has become a yearly quarter-trillion-dollar enterprise. Hospitals, clinics and their for-profit partners now collect $142 billion annually from 340B medicine markups - that's roughly $16 million every hour, every day, for an entire year.

The size of the program is now larger than the market value of many Fortune 100 companies, yet hospitals are not required to report how much they make from 340B or whether those profits reduce patient costs or expand access to care.

If your tax bill doubled in four years without any explanation, you'd demand answers. Yet 340B has followed a similar trajectory, growing dramatically with limited visibility into where the money goes, who benefits, and whether low-income patients are being helped.

Growth without guardrails: Spending on 340B medicines has grown 152% in the last five years alone, with the share going to 340B entity profit margin more than doubling. 340B medicines now account for nearly 27% of all net pharmaceutical spending in the United States.

This is no longer a targeted safety net program. It is a major driver of health care spending with little transparency into where the money goes.

The fix? Transparency and accountability: The Congressional Budget Office has identified hospital consolidation, expanded hospital participation, and the increased use of contract pharmacies as drivers of 340B's rapid growth. Federal policymakers should require better reporting, stronger oversight, and real guardrails, as well as requirements that low-income patients directly benefit from the program.

Learn more at PhRMA.org/340B

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