

# 340B MISUSE IN MINNESOTA

The February 2026 Minnesota Department of Health 340B Covered Entity Report found that less than 1% of reported 340B net revenue went to safety-net clinics. Large hospitals are siphoning funds away from those with highest need to pad profit margins and satiate Pharmacy Benefit Manager (PBM) appetites.

Minnesota Covered Entities earned a collective net 340B revenue of at least **\$1.34 billion** in 2024 – **more than twice the reported net 340B revenue in 2023**, which was \$630 million.

**While safety-net clinics generally use 340B to expand access to free or reduced-cost care, large hospitals pocket the extra revenue.**

## SAFETY-NET CLINICS

Safety Net Clinics (FQHCs, Ryan White HIV/AIDS Programs, tribal health centers, etc.) generated the least 340B revenue - **less than 1%**.

Utilize 340B to **provide free or low cost 340B drugs** to low-income patients, expanding access to care for those most in need.

Safety Net Clinics' **net revenue increased by 3.6%** from 2023-2024.

Safety Net Clinics **pay 27%** of their total operating costs to contract pharmacies.

### Overall Revenue

### 340B Profits

### Net Revenue

### Contract Pharmacies

## LARGE HOSPITALS

Minnesota's largest hospitals continue to generate the most revenue from 340B - **more than 80%** of statewide net 340B revenue.

Generate 340B revenue from market rate reimbursements for purchasing 340B drugs at a discounted rate; **generally do not pass these savings on to patients** through free or discounted care.

General Acute Care Hospitals **net revenue increased by 114%** from 2023-2024.

Large DSH hospitals **pay 77%** of their total operating costs to contract pharmacies, which are often owned by the three largest PBMs.

The findings from this nation-leading initiative continue to provide much needed transparency to the 340B program. However, there is still much left in the air, including information on how net 340B revenue is used or to what extent patients are benefiting, the impact to other areas of the health care system and confirmation that reported data is accurate considering it has not been independently verified. **Without meaningful oversight at a national level, there is no way to determine if covered entities are using 340B appropriately.**