



## Value of the 340B Program to the Community We Serve

Mercy Health Saint Mary's, Grand Rapids, Michigan

Mercy Health Saint Mary's is a Catholic health system employing 4,908 people, anchored by our 283-bed hospital. Outpatient services include a freestanding Emergency Department, two Urgent Care Centers, 55 clinic practices, five clinics serving the public with financial barriers to care, and a large HIV clinic. Many of our locations also provide community access to lab, radiology, physical therapy and pharmacy services. In fiscal 2018, Saint Mary's reported its ministry for the poor and underserved totaling \$41.4M; ministry for the broader community totaling \$9.2M; unpaid cost of Medicare totaling \$14.4M; and bad debt at cost totaling \$7.6M.

### Benefits of the 340B Program

At the foundation of the 340B program, US Representative John Dingell, Jr. (MI), now deceased, stated the purpose of the 340B program is "to enable covered entities to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services." Mercy Health Saint Mary's leverages the financial impact of the 340B program to provide a broad range of services that increase access to medications, medical treatments, primary care and specialty care, while improving the quality of care for all patients, regardless of ability to pay.

At Mercy Health Saint Mary's, the 340B program helps to enhance and sustain the following:

#### Patient access

- Supports continued investments in primary and specialty care. Saint Mary's operates 22 clinics in tracts with greater than 37.5% of families below 150% of the federal poverty limit. Source: (Community Commons data)
- Allows all clinics to accept new patients on Medicare and Medicaid. (compared to 72% and 45% respectively, of primary care physicians from the most recent Kaiser Family Foundation and Commonwealth Fund report)
- Operates five community pharmacies to meet the prescription access needs for insured and uninsured patients in our core service area. We operate the only pharmacies in the inner city core.

#### Offsets costs for programs that benefit the underserved, such as

- Specialized neonatal intensive care transport that connects high-risk neonates from Muskegon and Ottawa Counties to services at Saint Mary's Level IV Neonatal ICU
- Advance Care Coordination Program serving the most vulnerable, frail elderly and high-risk patients
- The only acute care Psych Med Unit in the region
- Specialty care, including oncology, diabetology, pulmonology, cardiology, neurology and infectious disease services not otherwise available to many low-income individuals in the community
- Clinic expansion and building a community pharmacy in the multi-ethnic low-income Roosevelt neighborhood
- Health screening and flu clinics in homeless shelters, meal centers and migrant worker camps
- Temporary guardian program for patients with excessive lengths of stay, while working on final guardian relationships



- Translation services to meet the needs of vulnerable populations throughout our system (costs \$1.2M annually)
- Home education for patients at high-risk for asthma and COPD

**Provides access and financial assistance to patients unable to afford their prescriptions**

- Serving 800 patients monthly and providing 3,000 prescriptions monthly at no cost to qualifying patients in need (calculated \$1.2M annual patient savings at cost)
- Currently providing an additional 950 prescriptions a month at cost to patients with temporary financial need. Estimated \$2.5M annual patient out-of-pocket savings (compared to retail)

**Additional Benefits**

- Provides optional prescription services to patients discharged to home to assure successful treatment starts while reducing hospital readmissions. Chosen by 78% of patients.
- Supports the operation of our geriatrician group providing medical services to patients in skilled care, assisted living and independent living senior communities.
- Supports the cost of Mercy Health's Community Needs Assessment every three years, along with program development to meet identified needs
- Supports continued ability to operate an infusion center, which would be under threat of closing due to chronically low reimbursement
- Provides dedicated support to our clinics to reduce abandonment, increase compliance and increase medical adherence
- Supports investments in staff and patient safety programs, such as the Psychiatric Resource Team, which has lowered patient and staff anxiety, while improving perception of safety, and decreasing use of restrictive measures
- Community "Stop the Bleed" classes, teaching high school students life saving skills recognizing life threatening bleeding and the different ways to control it.

**Impact if 340B Program is Scaled Back**

The intense pressure on margins for not-for-profit hospitals has been widely reported. Navigant documented a 39% reduction in average margin to only 2.56% between FY2015 and FY2017. Fitch reports FY2017 median margin for not-for-profit hospitals is only 1.9%. Disproportionate Share Hospitals, such as Mercy Health Saint Mary's, face even greater pressure on margin. The benefits from the 340B program provide a buffer that allows the health system to continue meeting community needs, continue investments in vital equipment, maintain critical infrastructure, and continue its commitment to serve. Without the 340B program, Mercy Health Saint Mary's would likely struggle against constriction, reducing services, forgoing improved technologies, and limiting its positive impact on the community. Prescription Access Programs would have to cease. Many of the patients and families served by the prescription access programs would be forced to choose between needed medical care and necessities such as food, housing, clothing and transportation.

*"The 340B program allows us to be a family and spend time with each other...without the 340B program I honestly do not know how I would be able to get my husband the medication he needs to survive."*

**The 340B program is vital to Mercy Health Saint Mary's patients. These are just a few stories from our patients and caregivers who would otherwise have to choose between medical treatment and basic needs.**

### **Diabetes Care**

- A Medicare patient who could not afford insulin admitted to her case manager that she had been using insulin that expired three years prior. The case manager helped the patient apply for full Medicaid secondary to her Medicare, Low Income Subsidy (LIS) program through Social Security, which made her drug plan free with no deductible, no donut hole and very reduced copays. She also applied for the Medicare Savings Program so that the state could cover her Medicare part B premium. While her LIS was pending, we issued a one-time voucher to the pharmacy so that she could get a new vial of insulin that day, at 340B cost. Within a month, the assistance programs kicked in and allowed her to afford her medications and save money. She can now manage her blood sugar levels.
- For one Mercy Health colleague whose husband is a type 1 diabetic (insulin dependent), the cost of medication – 11 vials of Novalog – would be close to \$5,000 every three months, out of pocket. This would require a second job for both of them to help offset the cost. "The 340B program allows us to be a family and spend time with each other... without the 340B program I honestly do not know how I would be able to get my husband the medication he needs to survive."

### **Behavioral Health**

Ineffective behavioral management can escalate behaviors, causing an unsafe environment for our staff and the patient. The Psychiatric Resource Team collaborates with the bedside nurse to develop a plan of care using evidenced-based practice along with creative/innovative strategies. The addition of this program has resulted in decreased patient and staff anxiety, improved perception of safety, and a decrease in the use of restrictive measures. Mercy Health Saint Mary's has been able to invest in staff and patient safety programs such as this one because of the cost savings from the 340B program.

### **Immigrants**

A 73-year-old patient who migrated from Mexico did not qualify for Medicare or straight Medicaid. While her daughter, a single mom, can support the family with food, shelter and money for transportation to and from doctors' appointments, she cannot pay the cost of her mother's 20 medications to treat multiple chronic conditions.

Thanks to the 340B program and supplemental resources, this patient can see her primary care doctor without worrying about cost. She also receives pulmonology and cardiology services, as well as access to behavioral health, lab, ultrasound and gynecological services.

### **Single Parent**

A single mom who was prescribed Strattera was ready to forego treatment. At \$300–\$500 per month, she couldn't afford it. She researched getting the drug from Canada, which would have been \$160 for a three-month supply, and not the correct dosage. Her primary care physician suggested she check with Mercy Health Pharmacy, where she was able to get a three-month supply of her prescription for \$64 through our one time access program.

### **Kidney Transplant**

- We have diabetic patients and transplant patients that comment all the time that if not for 340B pricing, they could never afford the medication they need to stay alive.
- We have uninsured patients who are seen in our office that come back to our front desk after their visit and ask if we know how much their prescription is going to be. These patients are usually too embarrassed to let their PCP know that they struggle financially. At our office, front desk staff will escort the patient to the pharmacy and ask the pharmacist to check for eligible 340B program pricing for the patient. The patients are grateful for the personalized service and for the savings.