



OUR 340B STORY

Enhancing Patient, Community Health at no cost to taxpayers



At Michigan Medicine, we treat all who come to us, regardless of their ability to pay. As the academic medical center of the University of Michigan, we also tackle the most challenging diseases and provide breakthrough treatments that change the lives of our patients and directly impact the health and well-being of our community.

340B is a federal program that gives Michigan Medicine and other hospitals a discount from the pharmaceutical industry when we purchase drugs. This program was started to enable hospitals to stretch scarce resources, reach more patients, and provide more comprehensive services. Savings from this program are foundational for making all that we do here at Michigan Medicine and in our community possible.

RELIEF AS PRESCRIPTION DRUG COSTS RISE EXPONENTIALLY

For more than 25 years, the 340B Drug Pricing Program has provided financial help to hospitals serving vulnerable communities. Section 340B of the Public Health Service Act requires pharmaceutical manufacturers participating in Medicaid to sell outpatient drugs at discounted prices to health care organizations that care for many uninsured and low-income patients. The program allows 340B hospitals to stretch limited federal resources to reduce the price of outpatient pharmaceuticals for patients and expand health services to the patients and communities they serve. Hospitals use 340B savings to provide free care for uninsured patients, offer free vaccines, provide services in mental health clinics, and implement medication management and community health programs.

**TAXPAYER DOLLARS
DO NOT FUND THE
340B DISCOUNTS TO
HOSPITALS**



Without 340B savings, Michigan Medicine could not deliver high quality healthcare to patients who have no health insurance or give patients who have inadequate insurance access to affordable care.

Without 340B savings, Michigan Medicine wouldn't be able to provide access to high-cost drug therapies.

Without 340B savings, Michigan Medicine couldn't support the numerous health improvement and prevention initiatives that help members of our community and state, including seniors, veterans and children.

BENEFITS OF THE 340B PROGRAM

Amid uncontrolled, rising healthcare costs – especially those of pharmaceuticals – the 340B program has never been more critical than it is today for safety-net providers like Michigan Medicine. 340B discounts from Pharmaceutical companies represents a tiny fraction of their profits and is an affordable funding source for important community benefit without costing taxpayers. For every dollar spent on government funded patient care, we recover only a fraction of the cost through Medicare and Medicaid reimbursement.

CONTRIBUTING TO PROGRAMS THAT BENEFIT THE PEOPLE OF MICHIGAN

We use 340B savings in many ways to deliver on our mission to advance health care to our state and world. Here are just a few examples:

Enhancing and Supporting Our Community

- We improve mental health and combat substance abuse through The Michigan Opioid Prescribing Engagement Network (OPEN), which works to reduce excess opioid prescriptions through research, guidelines, and improved disposal practices.
- We fight hunger through our support of the Meals on Wheels service in Ann Arbor and Ypsilanti, our food pantry in the Ypsilanti Health Center, and by funding grants to agencies fighting food insecurity. Recently, we distributed over 500 kitchen kits to families to encourage adding vegetables to diets.
- We run Military Support Programs and Networks (MSPAN) to provide innovative approaches to outreach, overcoming stigma and delivery of support programs for our service members and military families.
- We donate support for crucial public health programs, including a recent \$9 million grant that funded initiatives focused on mental health, obesity, and pre- and perinatal health.

Providing Life-Saving Research and Specialty Services to Meet the Critical Care Needs of Michiganders

- We serve without regard to patients' severity of illness, level of income or where they live. This includes lifesaving treatments for our patients in need of organ transplants, complex cancer care, neurological care, cardiovascular care and more.
- We invest in clinical trials and other research innovations to move medicine forward and develop new treatments.
- We invest in new facilities to making accessing health care services easier and to provide the best in technology and services and provide emergency transport through our Survival Flight services.

- We serve patients in their own homes through our home infusion and nursing outreach services, allowing patients to receive acute care in their homes.

Improving Care Through Comprehensive Pharmacy Resources

- We offer pharmacy discount cards enabling patients to purchase their prescriptions with just a \$4 copay. In FY 2021, we dispensed over 17,000 prescriptions to patients in our M-Support program.
- Our pharmacists consult daily with patient care teams to help advise on medications, address side effects, and help improve the comfort of our patients.
- We provide pharmacy resources to all patients going through transitions of care to make sure they have access at affordable prices and can reach Pharmacy experts for advice.
- Our network of community pharmacies remained open through the pandemic to serve our patients' medication needs, even hand delivering medications to patients' vehicles to help keep them safe.

Helping Those Who Are Uninsured and Under Insured

- We provide free prevention-focused primary care to patients across rural Michigan and Ypsilanti.
- We brought free COVID-19 vaccine clinics into communities hit hardest by the pandemic with limited access to healthcare services.
- We have resources dedicated to keeping our patients' health care costs affordable. We run an entire team of patient financial advisors focused on helping patients who cannot afford their medications.
- We provide a generous charity care program and flexible payment plans to make sure our patients can remain focused on getting well and not on their health care debt.

CAREFUL MONITORING

Michigan Medicine is dedicated to transparent reviews of its 340B program and regular external audits demonstrate we are fully compliant with governmental regulations. Additionally, we routinely conduct our own internal audits.

