

340B in Alabama

Key Points

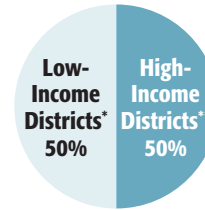
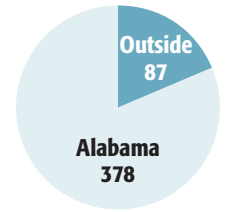
- ▶ **Alabama's low-income taxpayers are required to utilize for-profit pharmacies in California and Michigan.**
- ▶ **PBM owned pharmacy has the most number of contracts benefiting from federal program intended to support needy Alabama taxpayers.**
- ▶ **Half of the contract pharmacies intended to serve poor patients in Alabama are located in affluent neighborhoods.**
- ▶ **Alabama 340B hospitals (2.88%) provide more charity care than the national average (2.28%).**

48% of 340B contract pharmacies for the Alabama hospitals with the most contract pharmacies are based outside the state. Some of the pharmacies are in California and Michigan.

| Top 5 Hospitals in Alabama | # of 340B Contract Pharmacies | # of 340B Contract Pharmacies outside the State Lines | Farthest 340B Pharmacy Location Serving Alabama Patients |
|--|-------------------------------|---|--|
| Jackson Hospital and Clinic Inc | 117 | 53 (45%) | California (2426 miles) |
| Huntsville Hospital | 112 | 27 (24%) | Michigan (813 miles) |
| USA Health University Hospital | 79 | 45 (57%) | California (2426 miles) |
| USA Health Children's and Women's Hospital | 63 | 42 (67%) | California (2426 miles) |
| East Alabama Medical Center | 53 | 36 (68%) | California (2426 miles) |

23% of 340B pharmacies supposedly serving poor patients in Alabama are located outside the state

- Total number of contract pharmacies intended to serve needy patients in Alabama – 378
- Number of contract pharmacies intended to serve Alabama's needy patients that are located outside of Alabama – 87



50% of 340B pharmacies supposedly serving the poor are in affluent neighborhoods in Alabama.

- 16.2% of the population living in poverty

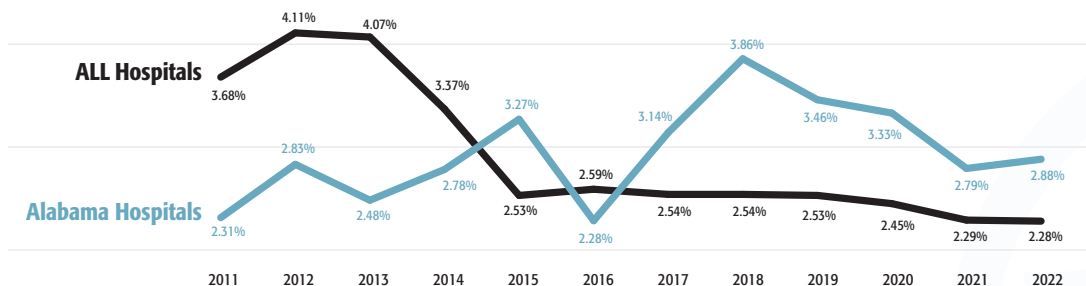
* **Low-Income Districts** – house districts where the percentage of the population living in poverty is above the average state poverty percentage

** **High-Income Districts** – house districts where the percentage of the population living in poverty is below the average state poverty percentage

Top two 340B contract pharmacies supposedly serving Alabama needy patients are PBM owned.

| Top 5 340B Pharmacies with Most Contracts in Alabama | PBM Owned Pharmacy | Chain Pharmacy |
|--|-----------------------------|----------------|
| Procare Pharmacy, L.L.C. | | ✓ (CVS Health) |
| Optum Pharmacy 705, LLC | ✓ (Optum/United Healthcare) | |
| East Alabama Apothecary, LLC #3 | | |
| Vital Rx LLC | | |
| Kroger Specialty Infusion AL LLC | | ✓ |

Average Charity Care Ratio - All vs. Alabama Hospitals



Top Alabama hospital with the highest operating expenses eligible for 340B discounts provides more charity care than the state and national averages

| Top Alabama 340B Hospital with The Highest Operating Expenses | Charity Care |
|---|--------------|
| University of Alabama Hospital | 3.8% |

2022
Total Cost of Charity Care
\$16,002,540,724