

340B in Michigan

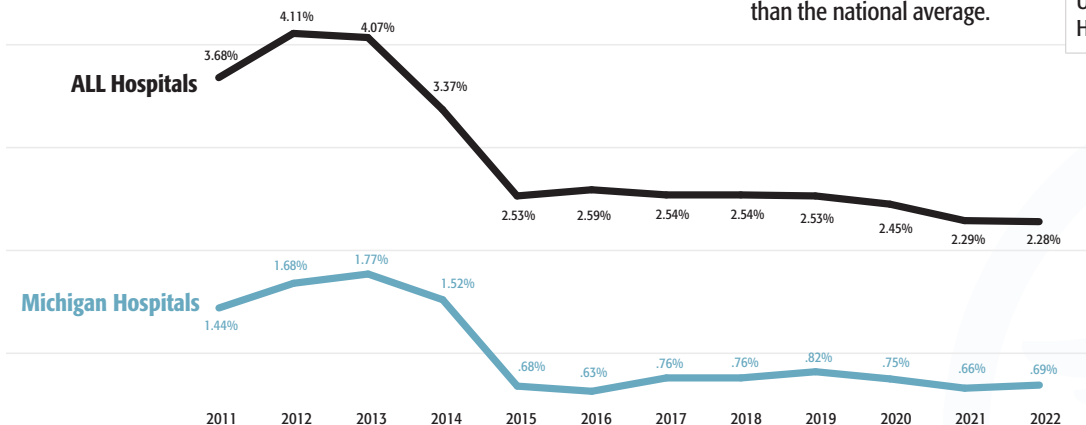
Key Points

- ▶ **Michigan's low-income taxpayers are required to utilize for-profit pharmacies in California.**
- ▶ **Pharmacy Benefit Management (PBM) owned for-profit contract pharmacies benefit from a federal program intended to support low-income Michigan taxpayers.**
- ▶ **More contract pharmacies intended to serve poor patients in Michigan are located in affluent neighborhoods.**
- ▶ **Michigan 340B hospitals (0.69%) provide less charity care than the national average (2.28%).**

16.3% of 340B contract pharmacies for the Michigan hospitals, with the most contract pharmacies are based outside the state. Some of the pharmacies are in California.

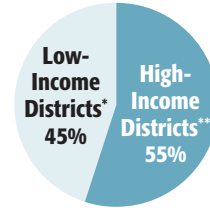
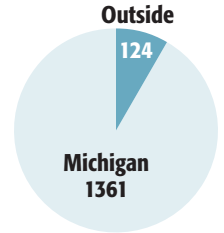
| Top 5 Hospitals in Michigan | # of 340B Contract Pharmacies | # of 340B Contract Pharmacies outside the State Lines | Farthest 340B Pharmacy Location Serving Michigan Patients |
|--|-------------------------------|---|---|
| University of Michigan Hospitals and Health Centers | 516 | 76 (15%) | California (2242 miles) |
| Henry Ford Hospital | 505 | 66 (13%) | California (2242 miles) |
| William Beaumont Hos DBA Beaumont Hosp - Royal Oak | 281 | 56 (20%) | California (2242 miles) |
| Botsford General Hosp Beaumont Hosp - Farmington Hills | 189 | 44 (23%) | California (2242 miles) |
| Saint Mary's Health Care | 167 | 29 (17%) | California (2242 miles) |

Average Charity Care Ratio - All vs. Michigan Hospitals



9.1% of 340B pharmacies supposedly serving poor patients in Michigan are located outside the state.

- Total number of contract pharmacies intended to serve low-income patients in Michigan – 1361
- Number of contract pharmacies intended to serve Michigan's low-income patients that are located outside of Michigan – 124



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

- 13.4% 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 340B contract pharmacies supposedly serving Michigan low-income patients are owned by for profit pharmacy benefit management (PBM) owned pharmacies and chain drug stores.

| Top 5 340B Pharmacies with Most Contracts in Michigan | PBM Owned Pharmacy | Chain Pharmacy |
|---|-------------------------|----------------|
| Walgreens Specialty Pharmacy, LLC | | ✓ |
| Caremark Michigan Specialty Pharmacy, LLC | ✓ (Caremark/CVS Health) | |
| Optum Pharmacy 701, LLC | ✓ (Optum/United) | |
| Diplomat Specialty Pharmacy | ✓ (Optum/United) | |
| Meijer Pharmacy #464 | | ✓ |

The top Michigan hospital with the highest operating expenses eligible for 340B discounts provides less charity than the national average.

| Top Michigan 340B Hospital with The Highest Operating Expenses | Charity Care |
|--|--------------|
| University of Michigan Hospitals and Health Centers | 0.8% |

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