

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.
- ▶ 59% of contract pharmacies intended to serve poor patients in Michigan are located in affluent neighborhoods.
- ▶ Michigan 340B hospitals (0.75%) provide less charity care than the national average (2.15%).

18% 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
Henry Ford Hospital	448	67 (15%)
University Of Michigan Hospitals And Health Centers	353	66 (19%)
Corewell Health William Beaumont University Hospital	260	53 (20%)
Botsford General Hosp Beaumont Hosp - Farmington Hills	178	40 (22%)
Saint Mary’s Health Care	153	26 (17%)

Top 340B contract pharmacies supposedly serving Michigan low-income patients are owned by PBM owned pharmacies and for profit chain drug stores.

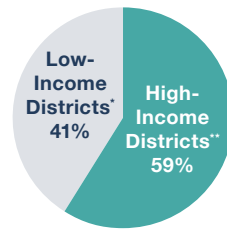
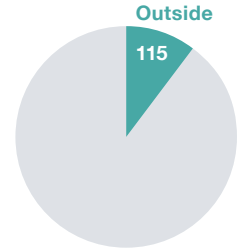
Top 5 340B Pharmacies with Most Contracts in Michigan	PBM Owned Pharmacy	Chain Pharmacy
Caremark Michigan Specialty Pharmacy, LLC	✓ (Caremark/ CVS Health)	
Walgreens Specialty Pharmacy LLC		✓
Optum Pharmacy 701, LLC	✓ (Optum/United)	
Meijer Pharmacy #464		✓
Meijer Distribution Inc #90		✓

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

Top Michigan 340B Hospital with The Highest Operating Expenses	Charity Care
University of Michigan Hospitals And Health Centers	0.63%

10.1% 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 – **1142**
- Number of contract pharmacies intended to serve Michigan’s low-income patients that are located outside of Michigan – **115**

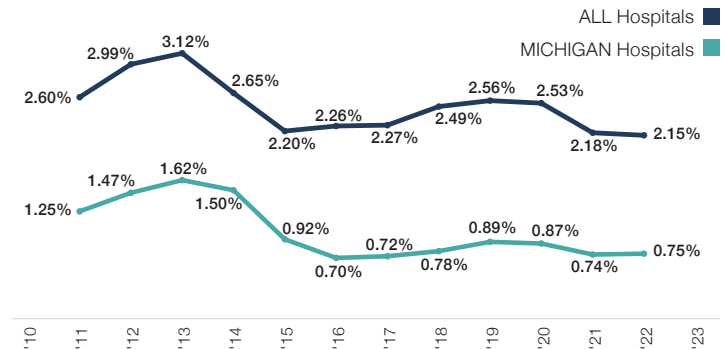


59% of 340B pharmacies supposedly serving the poor are in affluent neighborhoods in Michigan.

- **13.5%** 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

Cost of Charity Care as a Share of Operating Expenses - All vs Michigan 340B Reporting Hospitals



Charity Cost Ratios for Insured and Uninsured Patients State: Michigan, Hospitals: All

