

340B in Minnesota

Key Points

- ▶ Minnesota's low-income taxpayers are required to utilize for-profit pharmacies in Florida and Texas.
- ▶ For profit chain drug stores and PBMs have the greatest number of contracts benefiting from a federal program intended to support needy Minnesota patients.
- ▶ 53% of the contract pharmacies intended to serve poor patients in Minnesota are located in affluent neighborhoods.
- ▶ Minnesota 340B hospitals (0.94 %) provide less charity care than the national average (2.15%).

37% of 340B contract pharmacies for the top Minnesota hospitals with the most contract pharmacies are based outside the state. Some of the pharmacies are in Florida and Texas.

Top 5 Hospitals in Minnesota	# of 340B Contract pharmacies	# of 340B Contract Pharmacies outside the State Lines
Abbott Northwestern Hospital	200	51 (26%)
Mercy Hospital	106	52 (49%)
SMDC Medical Center	94	58 (62%)
Children's Health Care D/B/A Children's Hospital	91	4 (4%)
United Hospital	91	52 (57%)

Top 340B contract pharmacies are owned by PBMs and Chain Pharmacies.

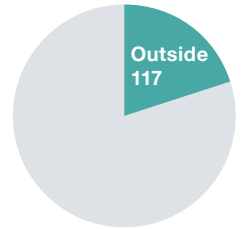
Top 5 340B Pharmacies with Most Contracts in Minnesota	PBM Owned Pharmacy	Chain Pharmacy
Fairview specialty services pharmacy		✓
Walgreen Co		✓
Walgreen Co		✓
Coram alternate site services	✓ (CVS)	
Essentia health duluth second street pharmacy		✓

Top Minnesota hospital with the highest operating expenses eligible for 340B discounts provides less charity care than the state average and the national averages.

Top Minnesota 340B Hospital with The Highest Operating Expenses	Charity Care
University of Minnesota Medical Center	0.46%

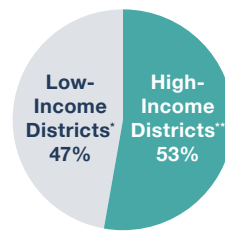
20% of 340B pharmacies supposedly serving poor patients in Minnesota are located outside the state.

- Total number of contract pharmacies intended to serve needy patients in Minnesota – **584**
- Number of contract pharmacies intended to serve Minnesota's needy patients that are located outside of Minnesota – **117**



53% of 340B pharmacies supposedly serving the poor are in affluent neighborhoods in Minnesota.

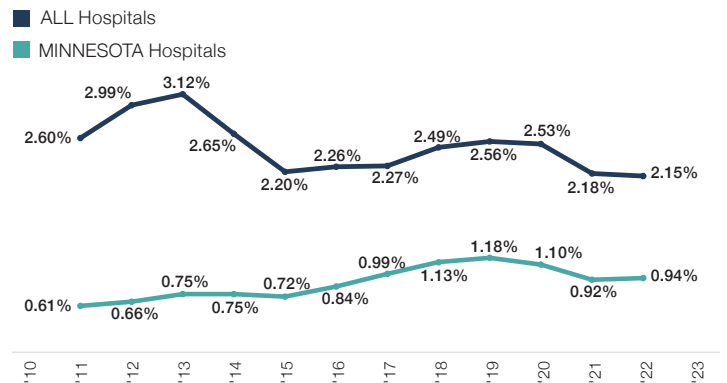
- **9.3%** of the population living in poverty



* **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 Minnesota 340B Reporting Hospitals



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

