

# Value of the 340B Program

Mercy Medical Center

Springfield, MA



**THE HOSPITAL:** Founded in 1873, Mercy and its affiliates has established itself as a provider of health care services within Western Massachusetts for over 146 years. The system includes Mercy Medical Center, a 182 bed acute care hospital in Springfield; Providence Behavioral Health Hospital, located in Holyoke and licensed for 131 beds; Weldon Rehabilitation Hospital, a comprehensive hospital-based rehabilitation center on the campus of Mercy Medical Center; Brightside for Families and Children, an outpatient service offering counseling and family support programs and two outpatient substance abuse treatment centers.

Mercy Medical Center is committed to being a transforming, healing presence within the communities it serves. Guided by our charitable mission and core values, our work extends far beyond hospital or clinic walls. We continually invest resources into our communities to meet the health needs of underserved and vulnerable community members, bringing them healing, comfort and hope. Through our community benefit initiatives, we help to make our communities healthier places to live.

As an example of the benefit to our community, Mercy provided **\$41,515,505** in uncompensated care last year. (Uncompensated care includes charity care, bad debt, and underpayment from public programs excluding underpayment from Medicare).

**THE BENEFITS OF THE 340B PROGRAM:** Mercy uses the 340B program savings to help our community by identifying and responding to the community's unmet needs. A great example of this is Mercy's **Healthcare for the Homeless (HCH)** program. Since 1983, HCH has been an ongoing and expanding effort to identify homeless persons in Western Massachusetts, assess their needs and resources, deliver health and social services and evaluate their impact. Services are provided throughout the year on a daily basis with back-up arrangements for 24-hour, emergency on-site coverage throughout Hampden, Franklin and Hampshire counties. Mercy Medical Center is the cornerstone of the HCH program, providing laboratory, X-ray and inpatient services to clients. HCH nurse practitioners are credentialed and have on-staff privileges at Mercy Medical Center, and the Mercy Emergency Department provides an extra layer of coverage.

We also use our 340B savings to provide these additional programs to benefit our community:

- Vietnamese Health Project
- Addiction Services
- Behavioral Health Services for youth and adults
- Patient and family support groups
- Community Health van ministry
- High End Utilizer case management
- Medicaid enrollment
- Transforming Communities Initiative

## FINANCIAL IMPACT OF 340B PROGRAM:

| (A) GPO or other Estimated Acquisition Costs  | Minus - | (B) Actual 340B Acquisition Costs            | Plus + | (C) Benefit from Contract Pharmacy Arrangement | Equals = | (D) Estimated Savings of 340B Program |
|---|---------|--|--------|--|----------|---------------------------------------|
| \$35,649,780                                  |         | \$20,470,488                                 |        | \$4,941  |          | \$15,184,233                          |
| (E) Actual WAC Costs                          | Minus - | (F) GPO or other Estimated Acquisition Costs | Plus + | (G) Administration and Compliance Costs        | Equals = | (H) Estimated Costs of 340B Program   |
| \$5,761,142                                   |         | \$5,304,461                                  |        | \$144,070                                      |          | \$600,751                             |
| Total Estimated Benefit of 340B Program (D-H) |         |  |        |  |          | \$14,583,482                          |
| Hospital Total Drug Expenditures (I)          |         |  |        |  |          | \$29,583,600                          |