

Minnesota

A comparison of 340B disproportionate share hospital and non-340B hospital spending

340B hospitals mark up prescription drug prices and pocket the revenue. To see if patients benefit, Community Action for Responsible Hospitals analyzed public data on Minnesota's hospitals' revenue growth, financial investments, charity care, and workforce.

Our findings expose a system rigged against Minnesota's families.

MONEY IN FROM PATIENTS



Hospitals use 340B as a profit engine.

- Minnesota's 340B hospitals netted an average of **\$513 million** in revenue – with **\$482 million** reported by non-340B hospitals (*Table 1a*).

MONEY OUT TO WALL STREET



340B dollars are funneled into Wall Street portfolios.

- On average, these Minnesota's 340B invested **\$52.2 million**, compared to just **\$14.2 million** by non-340B hospitals (*Figure 1*).

Figure 1: Average investments by 340B DSH v. non-340B hospitals in MN



HOW DO THEY PROFIT?

MARKUPS

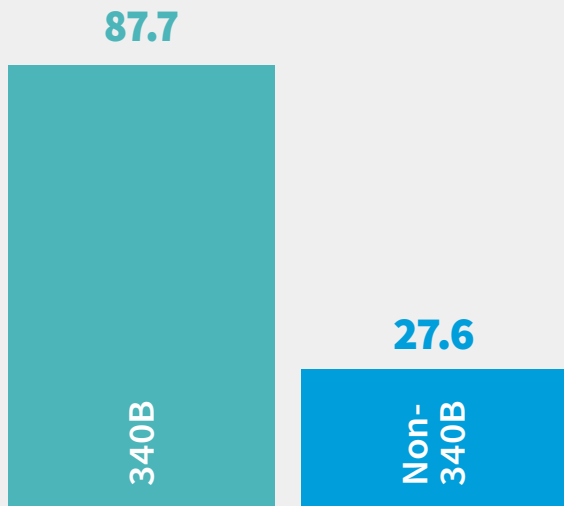
Minnesota hospitals bought discounted drugs for

\$1.5 billion

and turned around and billed \$3 billion —

pocketing more than \$1 billion in profit.

Figure 2: Average number of contract workers hired by 340B DSH v. non-340B hospitals in MN



REWARDING EXECUTIVES, IGNORING WORKERS

340B dollars are not reinvested in frontline caregivers or the hospital workforce.

- Minnesota's 340B hospitals relied on **30%** fewer full-time employees, on average, compared to non-340B hospitals (*Table 3b*).
- On average, employee pay at these hospitals was no higher than employee pay at non-340B hospitals (*Figure 2*).

BARELY THERE CHARITY CARE

340B dollars are not used to help low-income and uninsured patients access medicine.

- Minnesota's 340B hospitals dedicated a percentage of charity care that is no different than that provided by non-340B hospitals (*Table 2a*).

DID YOU KNOW?

M Health Fairview's CEO took home more than

\$5.6 million

in a single year - more than

60X

what the average nurse earns.

Minnesota's 340B disproportionate share hospitals take in far more revenue than their peers, but deliver no more in charity care or gains for workers. Instead of supporting patients, 340B dollars are steered into Wall Street investments - not community benefit.

Sources

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