

# The Value of the 340B Program: Golden Valley Memorial Healthcare Case Study

## Who is Golden Valley Memorial Healthcare?



Golden Valley Memorial Healthcare (GVMH) has served the people of Missouri for over 50 years. Based in Clinton, Missouri,

GVMH is the only hospital serving three rural counties between Kansas City and Springfield, covering an 80-mile radius.

GVMH prides itself on its “Golden Standard of Care” by going the extra mile and getting to know patients inside and outside its facilities to provide personalized and compassionate care. With a high-tech 56-bed hospital, a 24/7 emergency department, four multispecialty physician clinics, an outpatient clinic, and a new and expanding cancer center, GVMH provides a full range of clinical services to the communities it serves.

GVMH is recognized as a 5-star hospital by the Centers for Medicare & Medicaid Services and has won many awards for its high quality, safety, and staff engagement. Not only does it provide top-notch care, but GVMH is also the region’s largest employer with more than 1,000 employees, making it a critical part of the local economy. To achieve its mission and maintain access to vital care for its patients, GVMH relies on the 340B Drug Pricing Program to access pharmaceuticals at a lower price and use those savings to provide a range of benefits from generous financial assistance to innovative care programs for patients.

## Who does GVMH treat?



GVMH serves a patient population that is disproportionately underserved, including a large Medicare population who tend to require more complex care. With no public transportation available in the area, as well as a sizeable

Amish population, the rural population GVMH serves often struggles to access and afford health care services. Moreover, many of GVMH’s patients have multiple chronic diseases which require regular check-ups, management, and sometimes acute care. Without services from GVMH in the community, access to care could be jeopardized for the area’s vulnerable patient populations.

Approximately 60% of GVMH’s patients have health care coverage from Medicare, 20% from Medicaid, and around 20% from commercial insurers. While GVMH is proud to provide health care to patients of these critical safety-net programs, reimbursement from Medicare and Medicaid is often less than what it costs to provide care and services. Therefore, it is essential for GVMH to use savings from the 340B program to help sustain its operations for patients.

*“Without the 340B program, we would have to take extreme measures to keep our doors open at all.”*

**Craig Thompson**

Chief Executive Officer  
at Golden Valley Memorial Healthcare

# What's the value of the 340B Program for GVMH and its patients?

**Oncology.** GVMH recently began providing medical oncology services and is now also venturing into radiation oncology. The ability to access discounted pricing on high-cost oncology drugs because of the 340B program is essential in their ability to provide these services. It also allows the hospital to have a generous financial assistance program and not turn away anyone for care based on their ability to pay. Without 340B savings, it would be extremely difficult for GVMH to continue providing these services at scale and may have to curtail its services leaving many cancer patients without access to much-needed care.

**Maternity Services.** Missouri's maternal mortality rate outpaces the national average – but even more concerning is that 75% of maternal deaths in Missouri are considered preventable. Unfortunately, a lack of access to safe, high-quality maternity care contributes to this crisis. However, thanks to the 340B program, GVMH is able to provide high-quality maternity care, accounting for roughly 350 births each year. This is particularly important for the rural population it serves. Without GVMH and its 340B savings, many patients would have to drive over 90 minutes to reach the nearest birthing center.

**Ambulance Services.** As the only hospital covering three rural counties, GVMH's ambulance services are essential for both 911 emergencies and patient transfer needs. Since GVMH does not receive any tax subsidy for its ambulance services, without the savings generated by 340B, it could be forced to cut back or eliminate these services, putting its community at risk.

**Diabetes Care.** The community GVMH serves has an extremely high proportion of people living with diabetes. The savings from 340B have allowed GVMH to subsidize 100% of its diabetes program. Not only does the program empower patients through patient education and counseling, but it also provides direct savings for patients who are able to access their lifesaving medications for free or for a very modest cost.

**Supporting Access through its Contract Pharmacy.** The 340B program helps GVMH and small, locally owned pharmacies to provide access to discounted drugs for the patients they serve. Not every community has a CVS or Walgreens, so small, locally-owned pharmacies, in partnership with GVMH, are a critical link to ensure patients' access to needed medications. Contract pharmacy arrangements through the 340B Drug Pricing Program with these local pharmacies not only ensure patients get access to drugs close to where they live but also are one way these pharmacies can continue as an essential part of the health of this largely rural community.

## 340B Hospitals Need Support

Hospitals are currently facing the perfect storm of financial challenges: rising costs, longstanding labor shortages, increased demand for care, higher patient acuity, and rising administrative burdens. The 340B program is critical in ensuring that patients in rural communities like Clinton can continue to access high-quality, affordable care.

The 340B program was designed to allow hospitals like GVMH the opportunity to provide high-quality care to their patients and communities. If the 340B program were to be eliminated, it would put GVMH in a dire situation, exacerbate unsustainable economic trends, and force the hospital to reduce critical services. **The federal government must protect the 340B Drug Pricing Program so that health care organizations like GVMH can continue serving its patients and community for many years to come.**