THE HOSPITAL: MercyOne North Iowa Medical Center (Mason City, IA), a 342 bed faith-based, nonprofit hospital, services southern Minnesota and 14 counties across northern Iowa. True to its founders, the Sisters of Mercy, it values commitment to the community and the poor. In fiscal year 2018, MercyOne North Iowa contributed $22.3 million in Community Benefit (i.e. From the Fiscal Year 2018 Medicare Cost Report) to the region served. This represents a full commitment to the underserved and low-income patients with affordable, high-quality access to essential services and treatments.

To assist with the national, regional, and local behavioral health crisis, the hospital has invested in a brand new Behavioral Health Center, opening in May 2020. This new center expands both inpatient and outpatient services by 50% and clinical psychology visits by 25% to meet the needs of the local community and all of Iowa. MercyOne North Iowa also serves a large cancer population with its Regional Cancer Center. It has also established numerous education and transportation programs to empower and strive for long-term community wellness in the region. All of these activities are made possible because of MercyOne North Iowa’s involvement in the 340B program.

THE BENEFITS OF THE 340B PROGRAM: MercyOne North Iowa enrolled in the 340B Program in 2011 as a Sole Community Hospital (SCH), transitioned to a Disproportionate Share Hospital (DSH) on January 1, 2017, and again back to a SCH on October 1, 2018. The 340B Savings is an indispensable component of the hospital’s ability to invest in services to provide long-term health for all members of the communities it serves. The following programs are a snapshot of the benefit of the hospital’s 340B savings:

- Two medication access coordinators process necessary documentation and apply for funding to help patients get their specialty medications in a timely and affordable manner. In fiscal year 2018, they helped coordinate care for 196 patients and found a total of $3 million in funding assistance for them.
- The Free Prescription Delivery program made over 20,000 deliveries to patient homes and long-term care facilities, increasing convenience and access for those who are unable to come to a pharmacy themselves (e.g. home-bound, lack transportation, etc.).
- MercyOne Sheffield Pharmacy (Sheffield, IA) and MercyOne Greene Pharmacy (Greene, IA) remained financially viable in underserved, rural communities, where the next closest pharmacy is 10 to 20 miles away, respectively. These pharmacies filled 21,000 prescriptions in fiscal year 2018.
- In fiscal year 2018, the MercyOne North Iowa Medication Assistance Programs filled over 19,000 prescriptions, benefiting over 3,900 patients, who could not afford the expense of their medications. This program has grown by 700% since MercyOne North Iowa became a 340B covered entity.
- MercyOne North Iowa provides the only local home infusion pharmacy service in the North Iowa area; delivering 2327 home infusion days of therapy in fiscal year 2018.
- MercyOne North Iowa has provided 147 free Dental treatments in fiscal year 2018.
- In fiscal year 2018, education on the importance of breastfeeding and infection prevention has been provided to 400 people. And, the Diabetes Center of Excellence Initiative has provided diabetic education for over 1,800 individuals.

Patient Stories:

- Patient D.W. was admitted to the hospital due to complications with his diabetes. After he was discharged, the pharmacists learned that his Medicare Part D prescription plan had been “turned off” due to lack of payment of premium. He was receiving 4 boxes of “Novolog Flexpen” and 3 boxes of “Lantus Solostar”; the retail cost of a one month supply of these two insulin medications would be over $3000. This does not include the price for his three heart medications, two pain medications, two antidepressant medications, cholesterol medication or prostate medication. Due to the Medication Assistance Program funded by 340B, the patient was able to make payments towards his medications and they no longer have to struggle to decide which medication to stop so that they have money for groceries.
• Patient L.N., a divorced diabetic, was unable to qualify for state assistance due to the alimony payments she was receiving, but she still could not afford insurance coverage though her part time job. She is on insulin and metformin to control her diabetes, along with blood pressure, depression, and cholesterol medication. The 340B Program savings helped her afford her medications and comply with her treatment regimen; her numbers are now improving.

• Patient K.M. was previously approved by Medicaid to receive oral Capecitabine for her skin cancer. However, due to the patient's long-term disability, the patient's insurance switched to Medicare. Unfortunately, despite multiple attempts, both Medicare Parts B and D denied her continued access to the afore-mentioned medication since it was not on their approved medication list. MercyOne North Iowa’s medication access coordinator program helped the patient successfully apply for Charity Care, which saved the patient $205 per treatment cycle (ie. 18% of monthly income), allowing the patient to continue receiving cancer treatment.

• Patients Mr. & Mrs. M.O: "If it was not for financial assistance, it would be tough. We are so grateful to be able to pay for glasses, my teeth and replacement of our van this last year. Thank you for your consideration. We are very grateful!" MercyOne North Iowa faces a growing Medicare population who is not able to meet their deductible at the beginning of the year and then unable to meet their donut hole that occurs at the middle or end of the year. The 340B Program savings has helped provide these patients with the financial assistance they need to save on their medication costs.

**IMPACT IF THE PROGRAM WAS SCALLED BACK:** MercyOne North Iowa serves a large rural population, and thus needs the 340B Program savings to stretch scarce resources to as many community members as possible, especially the underserved patient populations. MercyOne North Iowa spent over $32 million dollars on medications in Fiscal Year 2018. The annual spend on medications would increase to over $56 million without the 340B program. This increase would greatly exceed the entire annual net income of the organization.

Most recently, in October 2017, the hospital had a patient break a sprinkler system head that met fire code regulations. The subsequent flood caused much damage that significantly hindered operations and the number of patients that could be served in the Behavioral Health, Internal Medicine, and Pediatrics care areas. This unfortunate event caused MercyOne North Iowa to not meet the percentage necessary to stay as a DSH covered entity. In October 2018, the hospital transitioned to SCH covered entity status. The corresponding drop in 340B savings has been a burden on many departments, especially its regional Cancer Center. Subsequently, the loss of 340B pricing on orphan drugs, mainly used by cancer patients, correlates to over $5 million annual loss in 340B savings alone.

If the 340B program was modified the North Iowa Region would be adversely affected in ways that would directly impact many of the benefits already noted above, and/or other services that affect the long-term health of the patients and communities served. Respectfully, the federal 340B Program must be preserved to ensure our community members continue to receive appropriate healthcare. Secondly, it must be maintained to fulfill the original intent of the 340B legislation: which was to help safety net hospitals offset the costs of providing care to an established minimum baseline percentage of the nation’s most under-served patient populations for which the safety net hospital receives little payment (eg. Medicaid’s already reduce reimbursement) and/or no payment (ie. charity care) for the healthcare provided. The baseline percentage noted in the previous sentence is: the DSH Calculation of >/= 8% for SCH status, or >/= 11.75% for DSH status already established in Federal 340B legislation.