

To our honorable legislators:

On behalf of our state's hospitals We ask for your support of House Bill 5350. Over the past 5 years the drug manufacturers have been limiting discounts on 340B medications as well as limiting contract Pharmacy participation. This has caused a severe decline in dollar savings the hospitals are able to receive to use to help our communities underserved patients.

I am the Director of Pharmacy for Hillsdale Hospital a small rural hospital serving Hillsdale and the surrounding counties. We rely on the 340B savings to allow us to serve our community which is mid to lower income and insurance poor. Our payer mix is 73 % Medicare and Medicaid along with approximately 10 % of the community with no insurance. Due to rising cost of labor, medication, supplies and lower insurance payments, this has put financial strain on our hospital as well as surrounding hospitals and health centers.

We have had two rural hospitals in close proximity close and drastically cut services which has left Hillsdale Hospital to care for these patients. We are here to serve all patients and have welcomed all new patients but we have to be able to keep our doors open. A majority of these patients fall into the insurance poor category.

Our neighbor Hospital in Coldwater discontinued their OB and Behavioral Health units putting additional strain on Hillsdale as both of these departments are generally a loss financially due to insurance payments and under insured patients. 340b has in the past helped offset some of these losses. A comparison of savings from 340B 5 years ago for our hospital was slightly over 2.5 million dollars. Due to current manufacturer restrictions we will be lucky to \$500,000. This put the hospital at a shortfall to be able to take care of our patients and has limited patient access to some services.

Rural hospital closings across the country have been a norm the past 3 years and additional Hospital closings in our state are a strong possibility due to the current financial and economic situation of our country and State.

My ask is to support HB 5350 to help your constituents and neighbors in your state to keep their hospitals open and health care options accessible.

I would be more than happy to take any questions from any of our legislators on any health care concerns especially 340B. As a member of the MPA governmental affairs committee you are welcome to attend and invited to our meetings to get a broader sense of how these restrictions are impacting all hospitals in the state. I would also invite any of our legislator's to Visit us at Hillsdale Hospital to see what we are doing for our communities and the impact the manufacturer restrictions are having on us.

Thank you for your time and consideration.

Jeff.

Jeff Kauffman RPh
Director of Pharmacy
Hillsdale Hospital
168 S Howell St
Hillsdale Mi 49242

517-437-5418

Jkauffman@hillsdalehospital.com