



## **Cedars-Sinai Medical Center, Los Angeles, California**

### **Cedars-Sinai and Our 340B History**

Cedars-Sinai is an 886 bed, acute quaternary care, non-profit academic medical center based in Los Angeles, California. Cedars-Sinai is a leader in providing high-quality healthcare that encompasses primary care, specialized medicine, teaching, and pioneering research. Since 1902, Cedars-Sinai has evolved to meet the needs of one of the nation's most diverse regions. Today, Cedars-Sinai is known for its national leadership in transforming healthcare for the benefit of patients and for its impact on the future of healthcare through new treatment approaches and educating tomorrow's health professionals. Additionally, Cedars-Sinai demonstrates its commitment to the community through programs that improve the health of the most vulnerable residents.

Cedars-Sinai is the largest provider of services to Medicare patients in California and one of the largest private providers of services to Medi-Cal patients in the state. Our Level I Trauma Center, designated to care for the most complex and critically-ill trauma patients in the region regardless of their ability to pay, is one of the 13 remaining trauma centers and the only adult private Level I trauma center in Los Angeles County operated by a non-governmental entity. Our patients often have multiple, complex illnesses requiring highly specialized care.

Cedars-Sinai has participated in the 340B Drug Pricing Program since 2005 as a Medicare Disproportionate Share Hospital. Cedars-Sinai uses the savings generated from the 340B Drug Pricing Program "to stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services." (H.R. REP. No 102-384(II), at 12 (1992)). Participation in this program enables Cedars-Sinai to provide comprehensive care to our patients and fulfill one of the key tenets of our organization's mission: striving to improve the health status of our community.

### **340B Impact by the Numbers – Fiscal Year 2018**

- \$76 million – Total 340B savings that benefited Cedars-Sinai patients. Significant savings are realized on drug purchases for high-acuity, high-risk patients, including those with cancer and complex immune disorders such as multiple sclerosis, inflammatory bowel disease and organ transplants.
- \$43 million of such savings were attributable to Cedars-Sinai's cancer centers
- \$136 million – Cedars-Sinai's total drug expenditures
- 18.21% – Cedars-Sinai's Disproportionate Share Hospital (DSH) percentage
- 36.2% – Percentage of Cedars-Sinai's Medicare patients who were also eligible for Medi-Cal, known as "Dual Eligibles"
- \$93 million – Unreimbursed cost of providing direct medical care to Medi-Cal patients and poor and underserved patients
- \$401 million – Unreimbursed cost of providing direct medical care to Medicare patients



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- \$120 million – Unfunded cost of medical education and research activities
- #1 Medicare provider in California with 134,774 patient days and 22,780 discharges
- #13 Medi-Cal provider of 73 private, short-term, acute care hospitals in Los Angeles County with 35,107 patient days and 6,012 discharges

### **The Benefits of the 340B Program**

Participation in the 340B Program enables Cedars-Sinai to provide comprehensive care to our patients and fulfill one of the key tenets of our organization's mission: striving to improve the health status of our community. The cost savings realized by Cedars-Sinai under the program allow us to devote resources to community benefit activities that reflect our longstanding commitment to helping those in greatest need, including providing traditional charity care to uninsured and underinsured patients with serious diseases and conditions.

In addition to the above figures, Cedars-Sinai provides the following programs and services to benefit our patients and the community:

- Mobile medical clinics provide free healthcare to children and their families in underserved areas of Los Angeles including homeless shelters and public housing developments. In fiscal year 2018, over 22,000 clinic visits provided immunizations, treatment for minor illnesses, blood pressure screening, preventive services and resources to support this population.
- Discharge prescription services provided essential medications for 1,900 uninsured and underinsured patients with complex diseases and conditions in fiscal year 2018, with the aim of preventing morbidity and mortality. For example, Cedars-Sinai provided essential medications free of charge to an elderly patient with diabetes, high blood pressure and end stage kidney disease who could not otherwise afford them.
- Nutrition education and obesity prevention programs are provided to over 27,000 patients in underserved areas per year.
- Community therapy programs for students, teacher and parents support mental health and ability to learn. In 2018, over 30,000 encounters resulted in 90% of students showing improvement in learning and behavior at home.
- Community grants are given to local, regional and national partners to support community clinics which serve over 900,000 uninsured and underinsured patients per year, with a focus on the homeless population, especially those with mental health disorders.
- Cedars-Sinai provides prescription services and 24/7 comprehensive medication management for patients with cancer, transplants and other complex diseases. Cedars-Sinai served over 900 patients through this program in fiscal year 2018.

### **Impact If The 340B Program Was Scaled Back**

Cost savings realized by Cedars-Sinai through our participation in the 340B Program are integral to Cedars-Sinai's ability to support the community benefit activities described above. Cedars-Sinai is committed to providing these services to our community and will strive to find alternative funding sources in the event of changes to the program.