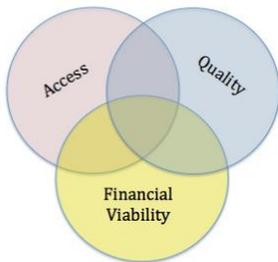


Participation in the 340B Drug Pricing Program is strategically important to Carolina Health Centers (CHC) and the patients it serves. Access to affordable prescription medication is one of the primary drivers of improved health outcomes. Without the 340B program, many health centers patients would have no other access to affordable medication, which plays an essential role in improving individual patient outcomes as well as overall population health measures. Those improvements in patient outcomes in turn enable the health center to deliver the results necessary to secure optimal reimbursement and remain financially viable in a value-based health care system.



Participation in the 340B Drug Pricing Program is also critically important in achieving CHC's mission to remove barriers that limit access to primary and preventive care. Savings from the 340B Drug Pricing Program enable the Carolina Health Centers to provide deeply discounted pharmacy services to those patients eligible for the income-based sliding fee program, offer medication therapy management to promote clinical and cost effective care, and assist patients with qualifying for manufacturer Patient Assistance Programs. 340B savings also directly support the following otherwise unfunded services designed to expand access to essential primary care services:

- Daily delivery of health center patient prescriptions to CHC medical practices in outlying rural communities with limited or no access to affordable pharmacy services. This service makes over 20,000 affordable prescriptions accessible to low-income and underserved persons each year.
- Oral health services – both preventive and restorative - provided to uninsured and sliding fee eligible through a network of contract dentists.
- Behavioral health counseling provided on-site to CHC patients who would either not qualify for, or have long delays in receiving care from the local mental health agency.

In addition, 340B savings help CHC to maintain health center operations in sites where mitigating circumstances such as a disproportionate need for unfunded services such as social work, translation, transportation, and care coordination result in higher cost and subsequent operational losses and would otherwise be at risk of closing. The total cost of maintaining primary care access at those sites in 2016 was \$1,812,581.

CHC defines "charity care" as the value of services provided for which all or part of the charges are uncompensated. Organization-wide in 2016, CHC provided \$4,753,211 in charity care which represents 21% of total patient revenue.

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