

# Illinois

## A comparison of 340B disproportionate share hospital and non-340B hospital spending



340B hospitals mark up prescription drug prices and pocket the revenue. To see if patients benefit, Community Action for Responsible Hospitals analyzed public data on **Illinois hospitals' revenue growth, financial investments, charity care, and workforce.**

### Our findings expose a system rigged against Illinois families.

#### MONEY IN FROM PATIENTS



Hospitals use 340B as a profit engine.

- Illinois's 340B hospitals reported **41%** (*Table 1a*) higher patient revenue than non-340B hospitals.
- These hospitals netted an average of **\$497 million** in revenue – with **\$351 million** reported by non-340B hospitals.

#### MONEY OUT TO WALL STREET



340B dollars are funneled into Wall Street portfolios.

- Illinois's 340B hospitals invested **119%** (*Table 1b*) more revenue into stocks and bonds on average, than non-340B hospitals.
- On average, these hospitals invested **\$68.3 million**, compared to just **\$24.4 million** by non-340B hospitals (*Figure 1*).

Figure 1: Average investments by 340B DSH v. non-340B hospitals in IL



#### HOW DO THEY PROFIT?

#### MARKUPS

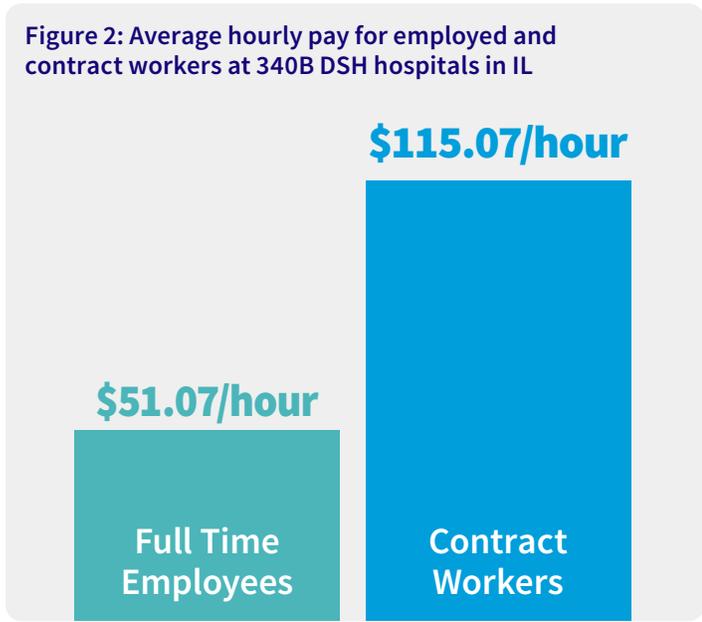
Northwestern Memorial Hospital stuck a patient with a surprise

**\$19,000**  
**colonoscopy bill**

– while its CEO makes

**over \$6 million**  
**a year.**

Figure 2: Average hourly pay for employed and contract workers at 340B DSH hospitals in IL



### BARELY THERE CHARITY CARE

340B dollars are not used to help low-income and uninsured patients access medicine.

- Despite higher revenues, 340B hospitals dedicated only 3.79% of net patient revenue to charity care compared to 1.63% at non-340B hospitals.

### REWARDING EXECUTIVES, IGNORING WORKERS

340B dollars are not reinvested in frontline caregivers or the hospital workforce.

- Illinois's 340B hospitals relied on **33%** more contract workers (including agency nurses), on average, compared to non-340B hospitals. (Table 3b).
- On average, these hospitals paid contract workers more than double what they paid their full-time employees (Figure 2).

**DID YOU KNOW?**

University of Chicago Medical Center's CEO took home more than

**\$3.8 million**

in a single year - more than

**40X**

what the average nurse earns.

**Illinois's 340B disproportionate share hospitals take in far more revenue than their peers, but deliver no more in charity care or gains for workers. Instead of supporting patients, 340B dollars are steered into Wall Street investments - not community benefit.**

#### Sources

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