

340B Case Study: Richmond Community Hospital

How is Bon Secours supporting the underserved patients that the program was designed to help at Richmond Community Hospital?

Let's take a look...

Richmond Community Hospital

Serves Richmond's largest Black population, lacks basic resources and reliable equipment. Despite these struggles, the nonprofit hospital, owned by Bon Secours, has the highest profit margins of any hospital in Virginia.

340B In Action

Richmond Community Hospital can purchase a cancer drug for \$3,444 and bill insurance \$25,425, generating a \$22,000 profit per vial. The program clearly creates substantial revenue for the hospital, as intended. Yet, 340B hospitals such as Richmond Community Hospital are not expanding their resources to regions that need it most.

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How does the 340B program work?

The 340B program allows hospitals in underserved areas to buy discounted drugs and bill insurance at full price. The program was designed to help low-income patients afford their medicines and provide access to charity care. However, large hospital chains exploit lenient transparency and reporting rules by opening clinics in wealthier areas, treating insured patients, and linking them to underserved hospitals on paper.

\$42,671,373

in net revenue in 2017 at Richmond Community Hospital after Bon Secours closed its ICU and key specialists left. This turned Community Hospital into a glorified emergency room.¹

At least 4 cases of patients not receiving proper care due to a shuttered ICU at Richmond Community Hospital between 2017 and 2021.

2

resulted in death

1

resulted in life-long cardiac issues

1

resulted in an amputation

More Than Half

the households in the neighborhoods surrounding Richmond Community Hospital do not have a car, according to research² done by Virginia Commonwealth University. Public bus routes to Saint Mary's, where patients can receive specialized care, take more than an hour.

\$4.75 million

The average annual amount spent on improvements to Richmond Community Hospital and the surrounding community from 2018-2022, according to Bon Secours.

\$11,580,768³

2022 take-home pay of John M. Starcher Jr.⁴, CEO of Bon Secours Mercy Health.

98.5%

of Richmond Community's revenue comes from program services, yet Dr. Lucas English, a former emergency department worker, claims Bon Secours was essentially laundering money from the poor hospital to its wealthier locations for profit. At the chain's St. Francis Medical Center, just 18 miles away, golf carts transport patients past marble fountains in a luxurious suburban setting.⁵

¹<https://www.vhi.org/Bon%20Secours%20Richmond%20Community%20Hospital.html?tab=&?h9880/>

²<https://storymaps.arcgis.com/stories/e51284979e494f228df0d46198aace40>

³<https://paddockpost.com/2024/10/03/executive-compensation-at-bon-secours-mercy-health-2022/>

⁴<https://bsmhealth.org/leadership/john-starcher/>

⁵<https://projects.propublica.org/nonprofits/organizations/540647482>

<https://www.nytimes.com/cdn.ampproject.org/c/s/www.nytimes.com/2022/09/24/health/how-a-hospital-chain-used-a-poor-neighborhood-to-turn-huge-profits.amp.html>