



Ohio “Non-Profit” Health Center Report

This following report includes an examination of several non-profit health centers in the state of Ohio that benefit from the 340B federal drug pricing program while violating patient safety, aggressively pursuing their lowest-income patients for unpaid bills, and abusing the 340B program.

The evidence shows that these health centers as well as highly-compensated administrators are taking advantage of the 340B program.

As a general overview, an [analysis](#) of every Ohio non-profit hospital from 2020 – 2022 showed that while the 137 non-profit hospitals receive \$2.2 billion in tax benefits annually, an alarming 74% of these hospitals and health centers had a “fair share deficit.” Each year, private non-profit hospitals and health centers in Ohio received \$1.3 billion more than they invested in their community. Cleveland Clinic is the worst offender in the state, and indeed, one of the worst offenders in all 22 states surveyed by the Lown Institute for these reports, with an over \$250 million average annual fair share deficit (between multiple campuses). Other offenders include University Hospitals Cleveland Medical Center (\$48 million) and OhioHealth’s Riverside Methodist Hospital (\$57 million).

The largest non-profit hospitals in Ohio are not the only part of the problem. Ohio has many smaller health centers and healthcare organizations that are taking advantage of the 340B system to pocket profits while failing the communities from which they receive these tax breaks.

HB 276 / SB198

The Ohio State legislature is currently considering [HB 276 / SB198](#), which would prevent any manufacturer, repackager, or third-party logistics provider of drugs from restricting shipments of drugs covered under the 340B program to healthcare centers or contract pharmacies. Essentially, the legislation would allow wealthy health centers to take advantage of a program that was meant for underserved communities.

It is no wonder that healthcare organizations in Ohio, like Signature Health, wholeheartedly [support](#) this legislation, all while profiting off of the 340B program with significant prescription drug markups and misusing the program meant to help those most in need. As this report demonstrates, the 340B program is in need of significant reforms before any guardrails should be removed.

Signature Health

Signature Health [says](#) that it served over 35,400 patients in 2025. It focuses primarily on mental health, addiction recovery, primary care, infectious disease, dental, and pharmacy services. Its more than \$76 million in assets [include](#) \$20 million cash and investments.

Patients [say](#) that Signature is “nothing more than a money grab at the expense of people in need of genuine mental healthcare,” and “is the worst place in the entire world.”

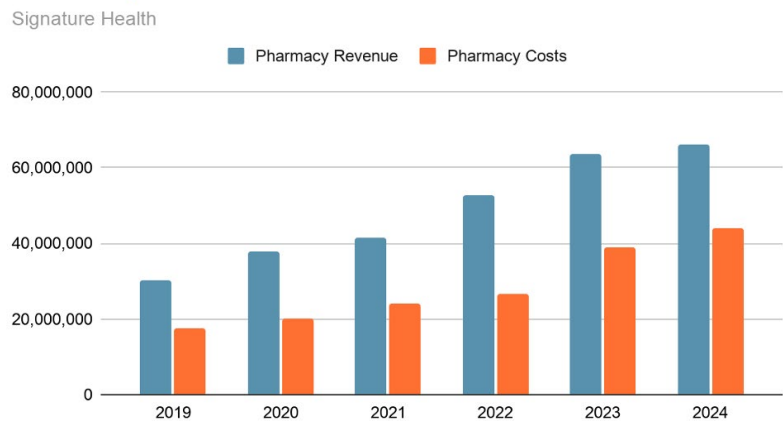
Signature Health has [multiple failings identified](#) by the Health Resources and Services Administration (HRSA), including failing to remove a contract pharmacy that did not have a written contract in place and having inaccurate or incomplete information on the HRSA Medicaid Exclusion File.

Meanwhile, Signature [reported](#) over \$66 million in revenue from its pharmacies alone, while only spending less than half that on drug costs. Drug markups, along with profits, have been [steadily growing](#) each year.

According to the organization's [2024 990](#) filed with the IRS, Signature Health paid its CEO's spouse nearly \$130,000 for "revenue and billing compliance." The same spouse received a payment of the same amount for the same services [in 2023 as well](#). Signature's CEO also makes over \$500,000 per year.

Signature Health was also [cited](#) by the Occupational Safety and Health Administration (OSHA) in 2024 after a nurse was attacked by a patient. An investigation after the nurse was stabbed repeatedly found that the hospital had violated federal law for failing to protect employees against workplace violence. According to the report, there was only one security guard at the facility.

Pharmacy Revenue vs. Costs



Five Rivers Health Centers

Five Rivers Health Centers is a Federally Qualified Health Center (FQHC) and "[consists](#) of three former hospital residency clinic departments of Miami Valley Hospital and Good Samaritan Hospital." Five Rivers is made up of eight locations across the state. Five Rivers' current CEO is Gina McFarlane-El, who is the former chair of the Ohio Association of Community Health Centers, an organization that has lobbied for passage of legislation at the state level that has been opposed by [patient advocates](#) who say the bill would lead to higher patient costs, premium increases, and the exploitation of out-of-state pharmacies while making no meaningful reforms to the 340B program.

While claiming to serve the community, Five Rivers worked with an architectural design firm to build a new \$31 million campus in Dayton that now boasts a large and expensive art collection. Although consultants originally recommended "mass-produced prints," Five Rivers [said](#) the prints "seemed very generic and boring" and decided to proceed with a [more extensive 125-piece art collection](#). Five Rivers reportedly is considering acquiring additional art collections in the future. Likely as a result of criticism, Five Rivers has disclaimers on their website that "no 340B pharmacy savings were used on this project." The new campus was the largest FQHC facility in the state when it was constructed in 2022.

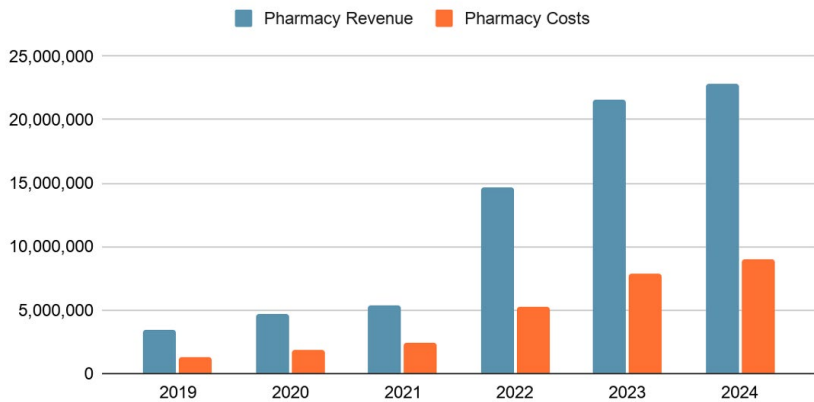
An independent [audit](#) in 2024 found that Five Rivers made nearly \$23 million in revenue from its pharmacies while only spending \$9 million on medication supply costs. This is a markup of more than 150%. That is a significant [increase](#) from only \$4.6 million in pharmacy revenue in 2020.

In total, Five Rivers [contracts](#) with 90 pharmacies. These pharmacies are largely parts of national chains and those owned by pharmacy benefit managers (PBM), like CVS and Walgreens. A number of these pharmacies are also located far outside of Ohio, from California to Florida to Arizona.

Five Rivers spent nearly 3.5% of its expenses on executive compensation in 2024, with over 40% going towards all salaries and wages.

Pharmacy Revenue vs. Costs

Five Rivers Health Centers



HealthSource of Ohio

HealthSource is one of the largest FQHCs in the state. In 2024, the health center reported nearly \$74 million revenue, and [over \\$65 million](#) in investments. Meanwhile, pharmacy revenue at HealthSource [increased](#) to \$28.4 million in 2024, doubling over three years (from [\\$14.2 million](#) in 2021).

HealthSource also owns Centerprise Inc, a consulting company that helps other health centers with “revenue cycle management,” with a reported income of over \$2.6 million in 2024. One of the services [offered](#) is collection services, and the company boasts that “our clients average 99 percent net collection rates” and their system of “rigorous claims follow-up ... help[s] ensure compliance and maximize patient revenue and program income.”

Highland Health Providers

Highland Health Providers is another FQHC, and was formed in 2015. Highland Health currently has eight locations.

Highland Health is a client of FQHC 340B Compliance, a consultancy that [seeks](#) to “improve ... 340B Program compliance processes.” The company uses Highland as a case study on its website, highlighting that in two years, “they have seen rapid increases in revenue and prescription capacity, as well as steady and substantial growth in claims capture rates.” According to the in-depth report, Highland saw a 270% increase in revenue over the first year of business as a pharmacy after working with the company, 170% increase in prescriptions the first year, and 560% growth in monthly prescription capacity. Highland’s capture rate doubled from 2023-2024.

According to FQHC 340B Compliance, Highland [hired](#) “Lauren Coor, a highly qualified pharmacist with major retail pharmacy experience, to establish a FQHC 340B-compliant entity-owned pharmacy with a 12-month timeline.” In [2022](#), Highland’s pharmacy revenue was less than \$1.8 million and comprised 18.2% of Highland’s total revenue. By [2024](#), pharmaceutical sales revenue exceeded \$6.1 million and comprised nearly half of Highland’s total revenue.

An [independent audit](#) for 2024 identified “a certain deficiency in internal control over compliance that

[the auditor] considered to be a significant deficiency.” The audit found “errors in the application of sliding fee adjustments” related to the Health Center Program Cluster from the U.S. Department of Health and Human Services. The audit went on to say that this is a repeat finding.

Furthermore, the audit identified that Highland Health did not have the data to support “certain line items reported on the Uniform Data System report filed,” bringing into question the reporting required under federal programs.

As part of the audit, it was also [disclosed](#) that Highland marks up the price of prescription drugs, making more than \$3.3 million more in profit than it spent on pharmacy expenses.

A HRSA [audit](#) found that Highland billed Medicaid while not listed on the HRSA Medicaid Exclusion File.

Mary Rutan Health

Mary Rutan Health is a non-profit healthcare organization with facilities across five counties in Ohio. According to an investigative [report](#), between early 2024 and summer 2025, Mary Rutan sued almost 2,700 patients for unpaid medical bills. The same report found that the organization only sued 400 patients over the two decades prior. Despite the tax benefits enjoyed by the organization as a non-profit, and the deep drug discounts received as part of its participation in the 340B program, the hospital has targeted thousands of patients to go after debts as low as \$215. In July 2025, nearly two-thirds of all civil cases in Bellefontaine Municipal Court were filed by Mary Rutan.

In one specific case, a patient who suffered from an ectopic pregnancy was told by the hospital to pay \$1,500 per month for treatment. Earlier this year, she was sued for over \$30,000 and couldn't afford to hire an attorney. She will now take six years to pay back the debt. According to the patient, Mary Rutan had no sympathy for the end of her pregnancy, and she said further, “the way they treated me from the minute I had surgery to the minute they sued me. It's just been nothing but negative, not good, just inhumane. They just have no compassion anymore.” Other former patients were forced to file bankruptcy and admitted to feelings of helplessness as a place that was supposed to help them instead aggressively pursued them in court for medical costs. In some cases, Mary Rutan was unable to provide proof of the charges or a breakdown of the costs.

MetroHealth Medical Center

MetroHealth Medical Center is another non-profit health center in northeast Ohio. They [have](#) five hospitals, four emergency departments, and more than a dozen health centers. Despite the non-profit status that allows it to enjoy tax benefits in exchange for charity care and community benefits, MetroHealth announced last fall that it would be reducing care for uninsured households. According to the [report](#), free care for uninsured households will be capped at 250% of the federal poverty level, and [those making just a few dollars more](#) will now receive only 75% coverage of services. Additional steps, such as enrolling in health insurance and meeting with financial counselors, will also be required, becoming a barrier to care for the lowest income patients.

In a statement, Dr. Georganne Vartorella, founder and president of Patient Advocacy MD, stated: “Vulnerable populations are always hit hardest. It's my understanding that these cuts will hit individuals making between \$39,000 and \$63,000 [per year] and families making between \$80,000 and \$128,000. This forgotten middle is compromised not only in healthcare but in education, housing and a lot of big-ticket items that are essential to living even a modest quality life.”

Mount Carmel Health System

Mount Carmel Health System, a member of Trinity Health, provides care at five hospitals in central Ohio. In 2012, a [report](#) found that the system had sued 1,600 patients over two years for unpaid medical bills, despite many of those patients being at 100 percent of the poverty level.

[More recently](#), state health inspectors found violations at the company's St. Ann's hospital, including conditions violating fire safety codes, and three patients placed in non-violent restraints were not properly checked by a registered nurse.

In another instance, a doctor with Mount Carmel was [accused](#) of "giving excessive doses of fentanyl to at least 35 patients." Even though patients were dying, Mount Carmel ignored formal reports regarding concerns about this doctor, and more patients died as a result. The hospital was forced to place 23 employees on administrative leave, including members of its management team. State and federal investigations [were conducted](#), and as a result, two of the system's hospitals [were found to have pharmaceutical services out of compliance](#).

Northeast Ohio Neighborhood Health Services

Northeast Ohio Neighborhood (NEON) Health Services is a FQHC and provides primary care, dental care, vision care, and mental health services. NEON [contracts](#) with 25 pharmacies, all of which are part of large national chains like CVS, Walgreens, and Rite Aid.

Despite paying its President over \$460,000 in 2023 according to the organization's latest 990, the hospital has been struggling with financial issues and scandals for years. The same CEO told employees right before New Year's Eve last year that employees would not receive their final scheduled paycheck due to "[insurmountable obstacles](#)."

In February 2026, it was reported that NEON was [facing](#) foreclosure, and [had defaulted](#) on an \$11 million loan from a private equity real estate company. On March 31, 2026, Cleveland Councilman Mike Ploensek officially [requested](#) the FBI investigate NEON and its mismanagement of its Eastside Market location. The Ohio Attorney General is also [actively](#) investigating the organization.

A former employee [filed](#) a lawsuit alleging wrongful termination after questioning invoices from a NEON board member (who was later [indicted](#) and [convicted](#) for embezzling \$855,000 from a NEON project). The former employee was [paid](#) a \$1.3 million settlement. While the organization claims the lawsuit from the former employee has led to its significant financial difficulties, its CEO has continued to receive annual compensation nearing \$500,000.

In another instance, Cleveland City Councilman Basheer Jones used his influence to get a job for his partner as a community outreach consultant. A lawsuit alleges she did "no substantial work" but received over \$40,000 in payment. Councilman Jones ultimately [pled guilty](#) to defrauding NEON, but not before he pushed for \$2 million in American Rescue Plan funds to go towards NEON. In 2023, the city of Cleveland ceased plans to provide the funds to NEON amidst ongoing allegations of FBI investigations and documented financial mismanagement. The financial issues have also [led](#) to staffing shortages.

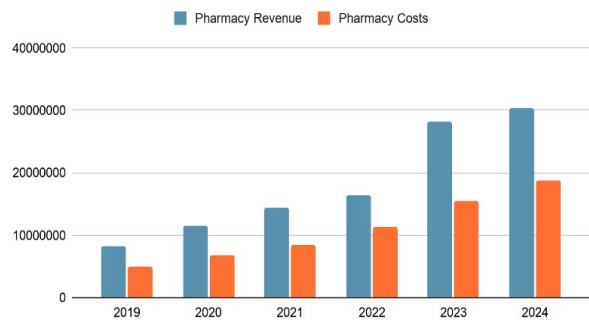
Patients have [reported](#) "the worst experience [they] ever had in [their] life," citing a lack of respect and unprofessionalism.

Health Partners of Western Ohio

Health Partners of Western Ohio reported nearly \$77 million in revenue in 2024, with over \$30.2 million in 340B pharmacy revenue the same year. This represents over 40% of total revenue. Since 2019, the revenue has increased fourfold, from \$7.8 million. Health Partners [says](#) “the organization has agreements with two primary 340B program management companies to facilitate its 340B Prescription Drug Program” and that “the purchase price paid by the patients, net of the program management companies’ service fees, is accounted for as 340B prescription drug program revenue on the statements of activities.”

Pharmacy Revenue vs. Costs

Health Partners of Western Ohio



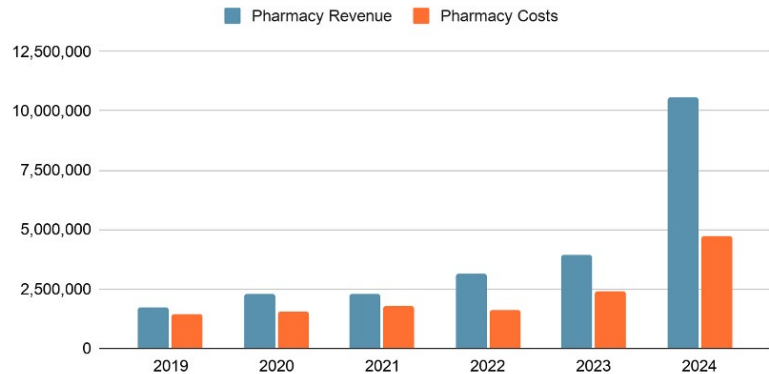
The organization’s [financial disclosures](#) indicate that it has marked up the cost of prescriptions by an average of \$33 per patient script in 2024 alone, with over \$11.6 million profits across over 350,000 scripts.

Third Street Clinics

Patients [say](#) that Third Street “treats you like a number, just another person they can get in and out quickly.” While disregarding patient needs, Third Street’s pharmacy revenue surged from \$3.9 million in 2023 to \$10.5 million in 2024, while the average markup on prescription drugs nearly doubled.

Pharmacy Revenue vs. Costs

Third Street Community Clinic



An independent [audit](#) of Third Street in 2024 found a number of issues within the organization, including:

- Material weaknesses in internal controls over financial reporting
- Significant deficiencies in internal control over major federal awards programs, namely the Health Center Program Cluster
- Errors in the application of sliding fee scales
- Noncompliance with federal procurement standards
- Inaccurate completion of required federal financial report