



## 340B Operational Overview

### Split Billing Contract Pharmacy Cash Programs

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**340B. Simplified.**  
Powering Compliance & Savings

### 340 Program Excellence - Requires Constant Oversight

**CONSIDERATIONS:**

- ✓ **TRANSPARENCY:** Where are the savings being used?
- ✓ **COMPLIANCE:** Covered Entity is responsible for compliance, Policies & Procedures, know your program.
- ✓ **OVERSIGHT:** Hands-on approach for program design, implementation, and ongoing management & communication.
- ✓ **PHARMACY PARTNERSHIP:** Focus on Patients



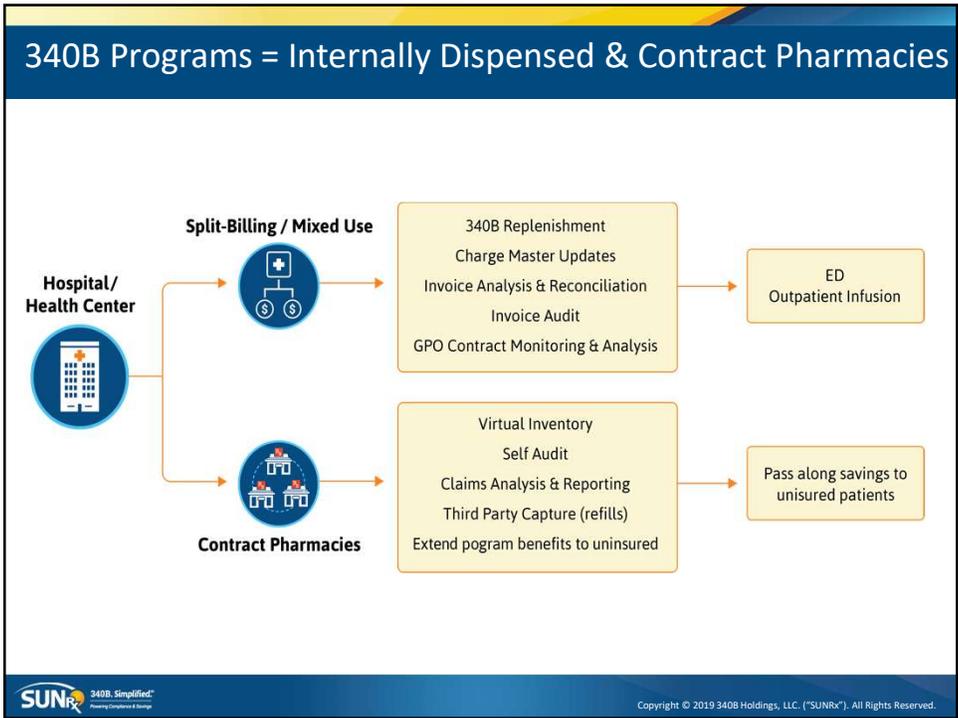
Split-Billing Solutions

Contract Pharmacy Network

Uninsured Discount Prescription Card



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## Split-Billing

*Split-Billing Solutions*

- ✓ Rapid/custom implementation
- ✓ Maximize 340B savings
- ✓ Complete reporting & auditing
- ✓ Medicaid carve-in/carve-out
- ✓ Complete audit support

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Priority, Compliance & Savings

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## Split Billing – Operational Suggestions

- Requires allocation of resources
- Maximize the use of 340B
  - Optimize your purchasing with alternate NDCs
    - Penny Buys
  - 340B/INPT/WAC Purchases in Date Range Not in Transactions Data
  - Transactions in Date Range Not Purchased on 340B
- Monthly Self Audit
- Check on what was blocked for Medicaid
  - Many claims blocked can be captured (look back)



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## Impact of the Medicaid “look back”

NDC	TransNDC	Description	Qty	FillDate	UploadDate	Custom2	Custom4	Custom9
00121115400	00121115430	(DM)lactulose 20 g/30 mL liq UD	1.00	12/2/2017	12/3/2017	MMC M-8S	SELF PAY DISCOUNT	IECode:2,4:MEDICAID
00245021111	00245021111	(DM)midodrine 2.5 mg tab	3.00	12/2/2017	12/3/2017	MMC M-8S	SELF PAY DISCOUNT	IECode:2,4:MEDICAID
00904791540	00904791540	(DM)ibuprofen 200 mg tab	1.00	12/2/2017	12/3/2017	MMC M-8S	SELF PAY DISCOUNT	IECode:2,4:MEDICAID
51079099120	51079099101	(DM)traMADol 50 mg tab	1.00	12/2/2017	12/3/2017	MMC M-8S	SELF PAY DISCOUNT	IECode:2,4:MEDICAID
62756024099	62756024099	ondansetron 2 mg (1/2 of 4 mg) dis tab	1.00	12/4/2017	12/5/2017	MMC CEC	SELF PAY DISCOUNT	IECode:2,4:INHOUSE MEDICAID PENDING
62756024099	62756024099	ondansetron 2 mg (1/2 of 4 mg) dis tab	1.00	12/4/2017	12/5/2017	MMC CEC	SELF PAY DISCOUNT	IECode:2,4:INHOUSE MEDICAID PENDING
65649030302	65649030302	(DM)rifaXIMIN 550 mg tab	1.00	12/2/2017	12/3/2017	MMC M-8S	SELF PAY DISCOUNT	IECode:2,4:MEDICAID
68094049461	68094049459	(DM)ibuprofen 100 mg/5 mL susp	1.00	12/4/2017	12/5/2017	MMC CEC	SELF PAY DISCOUNT	IECode:2,4:INHOUSE MEDICAID PENDING
68982064302	68982064302	(DM)albumin human 25% 25 g/100 mL in	4.00	12/2/2017	12/3/2017	MMC M-8S	SELF PAY DISCOUNT	IECode:2,4:MEDICAID
68982064302	68982064302	(DM)albumin human 25% 25 g/100 mL in	4.00	12/2/2017	12/3/2017	MMC M-8S	SELF PAY DISCOUNT	IECode:2,4:MEDICAID
70860077602	70860077602	(DM)ondansetron 2 mg/mL Soln	1.00	12/2/2017	12/3/2017	MMC M-8S	SELF PAY DISCOUNT	IECode:2,4:MEDICAID

NDC	Description	Savings from LB
65649030302	(DM)rifaXIMIN 550 mg tab	\$1,477.24
68982064302	(DM)albumin human 25% 25 g/100 mL in	\$56.00

2 products, 1 month

This can be significant added savings which is missed most of the time



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## PO Optimization / Alternative NDCs

- Goals:
  - More intelligent POs
  - Minimize WAC
  - Maximize available 340B accumulations
- Identify alternative NDCs, based on GCN or GPI
- After accumulations and splits are calculated:
  - NDC's with eligible savings are available to use as replacements (must have savings via utilization)
- Follows compliance standards of 11-digit NDC match
  - Utilization→earning→eligibility required before alternatives may be ordered


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## Optimizer equals "Big Savings"

Inv Date	Inv Numl	NDC	Description	Qty	Unit Pri	Alt Date	Alt Price	Savings
11/2/2018	3680488	50419-0423-01	MIRENA 20MCG/24HR STR DSHP	5	\$314.39	11/2/2018	\$908.97	\$2,972.90
11/6/2018	3686956	57894-0030-01	REMICADE 100MG	6	\$442.90		\$1,083.67	\$3,844.62
11/6/2018	3686965	00006-3026-02	KEYTRUDA 25MG/ML 4ML SPD	4	\$3,438.44		\$4,649.64	\$4,844.80
11/8/2018	3695007	55513-0192-01	NEULASTA ONPRO KIT 6MG/0.6 S	3	\$2,162.96		\$4,781.14	\$7,854.54
11/8/2018	3695639	57894-0030-01	REMICADE 100MG	6	\$442.90		\$1,083.67	\$3,844.62
11/13/2018	3708391	57894-0030-01	REMICADE 100MG	5	\$442.90		\$1,083.67	\$3,203.85
11/14/2018	3711641	55513-0190-01	NEULASTA 6MG/0.6ML 0.6ML PHS	2	\$2,162.96		\$4,445.47	\$4,565.02
11/14/2018	3711641	55513-0192-01	NEULASTA ONPRO KIT 6MG/0.6 S	2	\$2,162.96		\$4,781.14	\$5,236.36
11/20/2018	3732247	64406-0008-01	TYSABRI 20MG/ML 15ML DSHP	1	\$1,036.34	11/20/2018	\$6,180.00	\$5,143.66
11/27/2018	3745642	00006-3026-02	KEYTRUDA 25MG/ML 4ML SPD	4	\$3,438.44		\$4,649.64	\$4,844.80
11/30/2018	3759644	57894-0030-01	REMICADE 100MG	10	\$442.90		\$1,083.67	\$6,407.70
11/30/2018	3759644	50242-0120-01	TNKASE 50MG 1	1	\$1,624.37		\$5,458.57	\$3,834.20
12/4/2018	3767779	57894-0030-01	REMICADE 100MG	4	\$442.90		\$1,083.67	\$2,563.08
12/5/2018	3772068	57894-0030-01	REMICADE 100MG	4	\$442.90		\$1,083.67	\$2,563.08
12/5/2018	3772076	50242-0040-62	XOLAIR 150MG SPD	4	\$336.91		\$983.16	\$2,585.00
12/6/2018	3775543	55513-0192-01	NEULASTA ONPRO KIT 6MG/0.6 S	4	\$2,162.96		\$4,781.14	\$10,472.72
12/7/2018	3780912	57894-0030-01	REMICADE 100MG	8	\$442.90		\$1,083.67	\$5,126.16
12/11/2018	3788498	57894-0030-01	REMICADE 100MG	8	\$442.90		\$1,083.67	\$5,126.16
12/18/2018	3810896	57894-0030-01	REMICADE 100MG	6	\$442.90		\$1,083.67	\$3,844.62
12/18/2018	3813696	64406-0008-01	TYSABRI 20MG/ML 15ML DSHP	2	\$1,036.34	12/18/2018	\$6,180.00	\$10,287.32
<b>Total Savings:</b>								<b>\$170,801.82</b>


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## Contract Pharmacy Network



- ✓ Appropriate sized pharmacy network
- ✓ Pharmacies matched to patient locations
- ✓ Flexible dispensing fee models
- ✓ Medicaid compliant
- ✓ Complete audit support

## Contract Pharmacy Operations

- *Policy & Procedures*
- *Correct Pharmacy Network*
  - *Location*
  - *Volume*
  - *Claim Capture Models*
  - *Monitor each pharmacy*
- *Partner with local Pharmacies*
- *Referral capture*
- *Specialty Pharmacy options*
- *Add and keep current services/clinics/providers*

## Partnership

When everyone benefits

Covered Entities

Pharmacies

Patients



Pharmacies can help uninsured and under insured patients get their medications

- Patient education about disease/medications
- Partner with Cash Program

## Claim Capture Model

- Prescription Capture Models

- All Claims
- Profit Only
- Brand Only



- Dispensing Fees

- Flat
- % of Reimbursement
- Gateway Administrator



## Impact of Referral Capture

Pharmacy	Captured Referral Claims	Savings
#1	23 of 73 possible	\$18,600.48
#2	10 of 24 possible	\$14,889.22
#5	28 of 70 possible	\$14,735.83
#9	24 of 49 possible	\$13,270.25
		\$61,495.78

1 Critical Access Hospital  
1 month savings





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## Cash Programs



Uninsured Discount  
Prescription Card



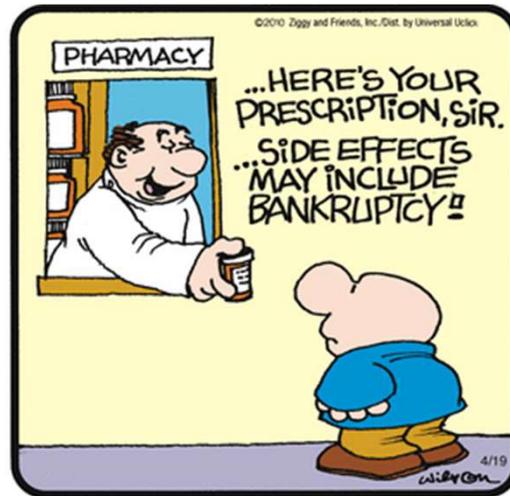
- Safety Net Hospitals (non-profit) required to provide financial assistance to retain tax exempt status
- Taking care of patients
- Leverage Patient Assistance Programs
- Can have an impact to reduce uncompensated care
- How to operationalize



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## Side Effect of Unaffordable Medications

What happens when patients can't afford their medications?



## What is Community Benefit?

Under the Affordable Care Act, many nonprofit hospitals must meet new requirements to retain their tax-exempt status.

The ACA added Section 501(r) to the Internal Revenue Code, which contains four new requirements related to community benefits that nonprofit hospitals must meet to qualify for 501(c)(3) tax-exempt status.

- They are as follows:
- Conducting a community health needs assessment with an accompanying implementation strategy;
- Establishing a written financial assistance policy for medically necessary and emergency care;
- Complying with specified limitations on hospital charges for those eligible for financial assistance; and
- Complying with specified billing and collections requirements.
- The new ACA requirements do not include a specific minimum value of community benefits that a hospital must provide to qualify for tax-exempt status

## Financial Assistance Policy

Each nonprofit hospital must develop a written financial assistance policy that contains basic information about whether the hospital offers free or discounted care; the eligibility requirements for financial assistance and a description of how to apply for the assistance; the basis for how much patients are charged for care; the collection procedures they will use; and measures the hospital will take to widely publicize the policy in the community.

The policy must apply to all emergency and medically necessary care. Hospitals may exclude some services not considered medically necessary (as defined by the hospital). In addition, there must be a separate policy that states that the hospital will provide emergency medical care to all individuals, regardless of whether they qualify for financial assistance.

### Financial Assistance

Financial Assistance is provided based on Income and Financial needs. If you feel you may qualify, please contact a Financial Counselor for more details

## How to Operationalize

- Staff
  - Patient discharge
  - Financial Assistance
  - Pharmacy
- Reporting
  - How much
- To Subsidize or Not?



## Why 340B

### 340B SAVINGS IMPROVE CARE, LOWER COSTS

WITHOUT  
**340B**

**\$56K**  
PER MONTH

➔

WITH  
**340B**

**\$4K**  
PER MONTH

MEDICATION THERAPY MADE POSSIBLE BY  
340B SAVINGS REDUCED THE COST OF ONE  
MAN'S CARE BY \$52,000 PER MONTH IN  
JUST 9 MONTHS.\*

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## Cash - Tracking the Benefit - Reports

NDC11	Drug Name	Indicator	Tier	Qty Disp	Days Suppl	Patient Typ	Claim Processed	Patient Pay
43547036109	LOSARTAN POTASSIUM 50 MG TAB	G		1	90	90 Cash	340B	\$16.65
56111012960	RANITIDINE 150 MG CAPSULE	G		2	60	30 Cash	340B	\$32.17
43547036109	LOSARTAN POTASSIUM 50 MG TAB	G		1	90	90 Cash	340B	\$16.60
43547036109	LOSARTAN POTASSIUM 50 MG TAB	G		1	90	90 Cash	340B	\$16.60
16729019201	HYDROCHLOROTHIAZIDE 12.5 MG TB	G		2	90	90 Cash	340B	\$16.02
16729019201	HYDROCHLOROTHIAZIDE 12.5 MG TB	G		2	90	90 Cash	340B	\$16.02
60505014200	GLIPIZIDE 10 MG TABLET	G		1	60	30 Cash	U&C	\$8.99
16714048203	LORATADINE 10 MG TABLET	G		1	30	30 Cash	U&C	\$3.99
00093834401	GLYBURIDE 5 MG TABLET	G		2	120	30 Cash	U&C	\$13.98
51672400101	NORTRIPTYLINE HCL 10 MG CAP	G		2	30	30 Cash	U&C	\$8.99
00093834401	GLYBURIDE 5 MG TABLET	G		2	120	30 Cash	U&C	\$13.98
51672400101	NORTRIPTYLINE HCL 10 MG CAP	G		2	30	30 Cash	U&C	\$8.99
51672400101	NORTRIPTYLINE HCL 10 MG CAP	G		2	30	30 Cash	U&C	\$8.99
00093834401	GLYBURIDE 5 MG TABLET	G		2	120	30 Cash	U&C	\$13.98
65862006301	METOPROLOL TARTRATE 50 MG	G		2	180	90 Cash	U&C	\$9.99
00093834401	GLYBURIDE 5 MG TABLET	G		2	120	30 Cash	U&C	\$13.98
23155005801	GLYBURIDE 5 MG TABLET	G		2	120	30 Cash	U&C	\$13.98
65862006301	METOPROLOL TARTRATE 50 MG	G		2	180	90 Cash	U&C	\$9.99
50383070016	FLUTICASONE PROP 50 MCG SPRAY	G		2	16	60 Cash	U&C	\$8.99
68180051901	LISINAPRIL-HCTZ 20-12.5 MG TAB	G		2	60	30 Cash	Network	\$10.94
16714010102	GEMFIBROZIL 600 MG TABLET	G		1	60	30 Cash	Network	\$15.26
65862057490	MONTELUKAST SOD 10 MG TABLET	G		2	30	30 Cash	Network	\$9.14
16714090401	GABAPENTIN 300 MG CAPSULE	G		1	90	90 Cash	Network	\$14.54
43547036109	LOSARTAN POTASSIUM 50 MG TAB	G		1	90	90 Cash	Network	\$8.06
65862019901	GABAPENTIN 300 MG CAPSULE	G		1	90	90 Cash	Network	\$14.54
43547036109	LOSARTAN POTASSIUM 50 MG TAB	G		1	90	90 Cash	Network	\$16.70

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## Patient Assistance Programs

Integrate Patient Assistance Program with a strong Cash Program for your uninsured. <https://www.sunrx.com/340b-uninsured-discount-prescription-card>

“Patient Assistance” is a term used to describe a **charitable organization dedicated to providing help to individuals with difficulty affording the high cost of healthcare associated with their a specific illness**. Manufacture foundations offer financial assistance to eligible patients for covering certain out-of-pocket health care cost.

Pfizer [www.pfizerpathways.com](http://www.pfizerpathways.com)

Merck [www.merckhelps.com](http://www.merckhelps.com)

Gilead [www.gileadadvancingaccess.com](http://www.gileadadvancingaccess.com)

Bristol-Myers-Squibb [www.bmsaccesssupport.com](http://www.bmsaccesssupport.com)

AstraZeneca [www.rxassist.org](http://www.rxassist.org)

Genentech [www.Genentech-access.com](http://www.Genentech-access.com)

[www.simplefill.com](http://www.simplefill.com) 888-635-1847

SIMPLEFILL IS A FULL-SERVICE PRESCRIPTION ASSISTANCE COMPANY THAT IS DEDICATED TO MAKING PRESCRIBED MEDICATIONS AFFORDABLE FOR OUR MEMBERS.



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## How to Operationalize

- Cash Program generics and lower cost brand meds
  - Uninsured
  - Underinsured (High deductible Insurance – **Not Insurance**)
- Local Pharmacies
  - Need to know
  - Refer patients back to Covered Entity for Card
- Patient Assistance Programs
  - Higher cost brands
  - Specialty Medications
- Coupons



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## 340B Cash Program Models

### **In-house/Owned Retail Pharmacy Model**

- Cash Prescriptions are filled at the entity's in-house pharmacy

### **Paper-Based (or Script Pad based) Messaging Model**

- 340B eligibility is noted or barcoded on the written prescription

### **Retrospective Prescription Card Model**

- Rx adjudicated at a defined price/subsidy, with a retrospective true-up

### **Real-Time Prescription Card Model**

- Automated 340B eligibility and income-level pricing in real time at the "Point of Service"



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## 340B Cash Program Challenges

- In-house pharmacy access: limited hours, weekends & geography
- Contract pharmacies process retrospectively—they don't know 340B eligibility or price at the "point of service"
- Lack of real-time patient "visit" information (e.g., a patient who walks directly from the clinic to the pharmacy)
- Difficulty communicating daily 340B pricing with the pharmacy
- Difficulty communicating patient income levels and the corresponding 340B sliding scale pricing
- The 340B price is not always the lowest price for the patient
- Must integrate cash 340B orders with 340B replenishment



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## 340B Prescription Savings—Real Time Processing

**Program Set-up**

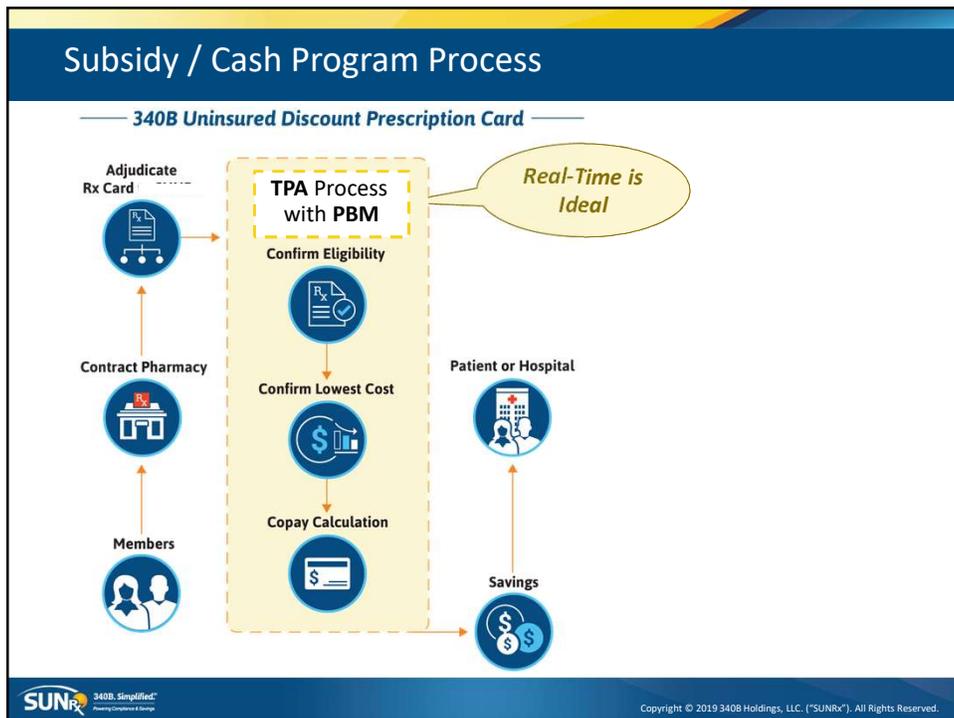
- Make PBM arrangements
- Design the 340B Card and marketing materials
- Create a benefit design (340B pass-through or subsidy)
- Load 340B eligibility at the PBM (low income patients, providers, 340B pricing)

**340B Card Use**

- Distribute prescription Cards to uninsured (w/income tier)
- 340B eligibility determined by PBM in real time
- PBM applies “Lower of” pricing (340B, Network, UC)
- 340B claims are accumulated & replenished
- Financial invoicing between stakeholders



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## Passing along SAVINGS to uninsured Patients



### 340B Uninsured Prescription Card Benefits

- Can be Financially Neutral for Hospitals
- Can improve Patient Outcomes, Clinical Benefits
- Provides Access to Discounted Medications
- Fulfills your Charity Care Mission
- Reduces Risk of Re-admissions Penalties
- Reduces Risk of Charity Care Costs

**Benefits your Patient's and Community!**



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## Savings and impact: Real & Significant



### 340B Card

In 2018, saved patients approximately

**\$74.4M**

*"I'm faced with daily challenges. Many of which deal with price changes of medications and financial challenges of my patients. The SUNRx program enables me to aid my patients in obtaining the medications they need at prices they can afford. The cost savings are not just that of the medication, but that of the patients overall health. The medications available have literally saved lives. Without this program, I would be limited in many ways as a practitioner. With this program, I'm able to get the patients the care and medications they need. The SUNRx program has supported our organization and it has been a seamless process working with them. Thank you for all you do."*

– Healthcare Provider / SUNRx client



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# Questions

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