

Comprehensive Pharmacy Services in a Community Health Center

2005 All Grantee Meeting
Washington, DC

Presented by

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Why CPS???

- Understanding Comprehensive Pharmacy Services is critical to:
- Operating a sustainable pharmacy program
- Patient Care
- Formulating a successful pharmacy grant application

Comprehensive Pharmacy Services

- - Concepts

1. Affordable Access
2. Efficient Pharmacy Management
3. Clinical Pharmacy Services
4. Safety

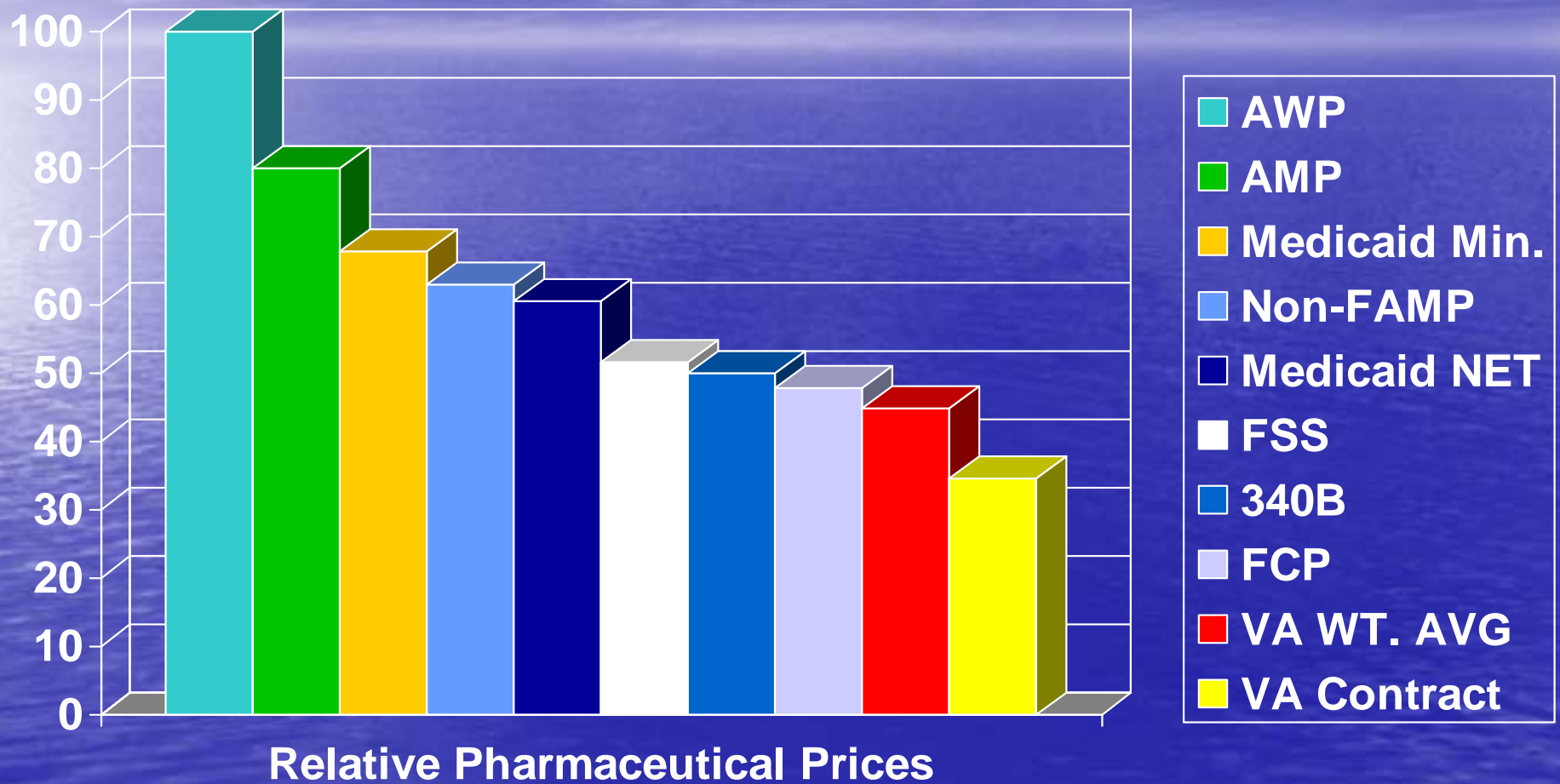
CPS - Assuring Affordable Access

- Purchase medications at lowest possible prices. (340B)
- Utilize Pharmaceutical Assistance Programs (PAPs)
- Offset pharmacy costs through alliances & networks.

340B Advantages

- Best Purchase Opportunity Available for CHC and MHC entities
- Savings belong to the Centers.

The 340B Advantage



AWP/Blue Book	Regular Price	Mfg Wholesale Price	340B	ACQ	Unit Price	FUL	
\$64.05 per 100	\$41.69	\$38.51	\$4.79	\$4.73	\$ 0.0473	\$0.3100	Generic
\$17.41 per 10ml	\$8.92	\$8.24	\$0.80	\$0.79	\$ 0.0790	\$1.2400	Brand
\$1.99 per 45ml	\$1.08	\$1.09	\$0.80	\$0.79			OTC
\$257.64 per 18	\$203.54	\$234.35	\$67.80	\$66.95	\$ 3.7194		
\$184.00 per 500	\$48.39	\$49.00	\$16.51	\$16.30	\$ 0.0326	\$0.1400	
\$7.20 per 60gm	\$4.87	\$4.50	\$2.02	\$1.99			
\$314.15 per 90	\$248.18	\$251.32	\$106.85	\$105.51	\$ 1.1723		
\$146.06 per 30	\$115.37	\$116.83	\$29.69	\$29.32	\$ 0.9773		

Typical 340B Invoice

AWP/Blue Book	Reg Price	Mfg Wholesale Price	340B	ACQ	Unit Price	FUL/Unit
\$26.45 per 42	\$21.76	\$22.04	\$20.85	\$20.59	\$ 0.4902	
\$80.10 per 100	\$7.17	\$7.26	\$2.90	\$2.86	\$ 0.0286	\$0.0700
\$41.14 per 30ml	\$7.16	\$7.08	\$3.14	\$3.10		
\$86.28 per 30	\$74.70	\$69.00	\$7.32	\$7.23	\$ 0.2410	\$2.7000
\$214.21 per 90	\$169.23	\$171.37	\$132.86	\$131.20		
\$49.41 per 100	\$29.57	\$28.03	\$3.74	\$3.69	\$ 0.0369	\$0.1800
\$75.75 per 70gm			\$6.46	\$6.38		

Typical 340B Invoice

AWP/Blue Book	Regular Price	Mfg Wholesale Price	340B	ACQ	Unit Price	FUL/Unit
\$98.43 per 500	\$45.93	\$40.20	\$9.97	\$9.85	\$ 0.0197	\$0.0800
\$488.30 per 500	\$56.89	\$52.55	\$15.99	\$15.79	\$ 0.0316	\$0.1400
\$184.60 per 90	\$129.25		\$36.96	\$36.50	\$ 0.4055	
\$74.50 per 100	\$33.07	\$30.55	\$5.12	\$5.06	\$ 0.0506	
\$74.99 per 1000	\$28.58		\$16.67	\$16.46	\$ 0.0165	\$0.0600
\$230.93 per 100	\$182.43	\$184.74	\$128.50	\$126.89	\$ 1.2689	
\$64.05 per 100	\$41.69	\$38.51	\$4.79	\$4.73	\$ 0.0473	\$0.3100

CPS – ENABLING EFFICIENT PHARMACY MANAGEMENT

1. Choose appropriate service delivery method

- In-house pharmacy
- Contracted pharmacy
- Physician dispensing

CPS – ENABLING EFFICIENT PHARMACY MANAGEMENT

2. Make sound financial decisions

- A. Understand the cost of providing service
- B. Set realistic slide & fee schedules
- C. Monitor intensively
- D. Embrace change when necessary

CPS – ENABLING EFFICIENT PHARMACY MANAGEMENT

3. Use a formulary

- A. To help insure positive outcomes
- B. To control costs
- C. To prevent medication misadventures

CPS – PROVIDING CLINICAL PHARMACY SERVICES

1. Pharmaceutical Care- Patient focused care that concentrates on using an integrated health care team to achieve outcomes that improve the patients quality of life.
2. Disease Management- Focus on chronic disease states to improve outcomes and reduce overall costs.

CPS – INSURING SAFE MEDICATION PRACTICES

1. Pharmacy & Therapeutics Committee
2. Pharmacy Quality Improvement
3. Quality Related Event Reporting
4. Drug Utilization Review

CPS in the Real World

- Don't Set Goals Too Low
- The ABCs
- Coalitions - Vertical
- Networks - Horizontal
- Live or Die by the GRANT?

340B Options

- In-House Pharmacy
- Contract Pharmacy
- Physician Dispensing
- Repackaging – Allscripts
www.allscripts.com / (800) 654-0889
- Cardinal Health System – repackaging
– John Fiacco (614) 757-5732
john.fiacco@cardinal.com

PatientPAK 340B

- Available now
- \$1.35 per repack unit
- 40 item formulary

Ordering

- Product is packaged in “shelf packs”
 - Shelf packs equate to manufacturer units of sale

Example: Atenolol 50mg is obtained in a shelf pack of 10 units of 30 tablets

- Product is ordered weekly
- Shipped UPS ground
- Repackaging fee covers shipping
- 100 repack item minimum order

Basics of 340B

- The Following slides are for those who need to understand the basic concepts and regulations governing the 340B Drug Pricing Program.

What is 340B?

- Veterans Health Care Act of 1992
- Section 340B of the Public Health Service Act, Amended by Section 602 of P.L. 102-585
- Requires drug manufacturers to enter into agreements DHHS to provide covered outpatient drugs to covered entities at a discounted price.

340B

- Price is a ceiling price
- Price is at least as good as prices paid by State Medicaid Agencies

Understanding 340B

- Three Concepts
- 1 Eligible Entity
- 2 Eligible Provider
- 3 Eligible Patients

Eligible Entity

- 330 grantee
 - Community Health Centers
 - Migrant Health Centers
 - Homeless Health Centers
 - Public Housing Health Centers
 - Black Lung Clinics
 - Native Hawaiian Centers
 - School Based Health Centers
 - Title X Family Planning Clinics

Eligible Entities Contd.

- Grantees Continued
 - HIV Early Intervention Projects
 - AIDS Drug Assistance Programs
 - Other Ryan White AIDS Projects
 - Hemophilia Treatment Centers
 - Tribal Health Centers
 - Urban Indian Health Centers
 - Sexually Transmitted Disease Clinics
 - Tuberculosis Clinics

Statutory Requirements

- Not resell or otherwise transfer a discounted drug to a person who is not a patient of the entity
- Avoid Duplicate Discount when billing for Medicaid
- Allow audits if requested.
- Repay the manufacturer the amount of the 340B discount for any violations, if the manufacturer seeks reimbursement

Eligible Entities Continued

- Non-Grantees
 - Federally Qualified Health Center Look-alikes recognized by HRSA
 - Disproportionate Share Hospitals that
 - Carry out specified State or local government health care programs
 - Have a disproportionate share adjustment percentage greater than 11.75%
 - Do not participate in any group purchasing arrangement for covered outpatient drugs

Eligible Provider

- Employee of Eligible entity
- Under contractual arrangement with eligible entity

Eligible Patient

- 1. The covered entity has established a relationship with the individual, such that the covered entity maintains records of the individual's health care.

Eligible Patient

- 2. The individual receives health care services from a health care professional who is either employed by the covered entity or provides health care under contractual or other arrangements (e.g. referral for consultation) such that the responsibility for the care provided remains with the covered entity.

Eligible Patient

- 3. the individual receives a health care service or range of services from the covered entity which is consistent with the service or range of services for which grant funding or Federally-qualified health center look-alike status has been provided to the entity. Disproportionate share hospitals are exempt from this requirement.

Eligible Patient

- 4. An individual will NOT be considered a "patient" of the entity for the purposes of 340B if the ONLY health care service received by the individual from the covered entity is the dispensing of a drug or drugs for subsequent self-administration or administration in the home setting.

Eligible Patient --- Exception

- An individual registered in a State operated or funded AIDS drug purchasing assistance program receiving financial assistance under title XXVI of the PHS Act will be considered a “patient” of the covered entity for purposes of this definition if so registered as eligible by the State program.

Alternative Methods Demonstration Projects

- Provides mechanism for sharing resources & effectively networking covered entities beyond current guidelines

Alternative Method Demonstration Projects

- Allows for Multiple Contracted Pharmacies
- Allows for Network of Covered Entities
- Requires formal application
- Application requires careful thought and attention to detail
- Project duration is 3 years
- Contact OPA for details (301)594-4353 or Visit Web Site

Getting Started - CHC

- You must enroll.
- <http://bphc.hrsa.gov/opa/howto.htm>
- Send enrollment form to PAB by fax or mail.
- You must be listed on official web site
- Web site is updated quarterly

Getting Started- CHC

Submit form by...	Added to database...
December 1	January 1
March 1	April 1
June 1	July 1
September 1	October 1

Getting Started- CHC

- Purchasing
- Prime Vendor
- HPPI
- <http://www.hppei340bpv.com/>
- Christopher Hatwig
 - (972) 910-6646
 - chatwig@340bpvp.com

Getting Started

- DSH

- New rules make more Hospitals eligible
- More complicated- see flow chart

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003

- Section 402: "Enhanced Disproportionate Share Hospital (DSH) Treatment for Rural Hospitals and Urban Hospitals with Fewer than 100 Beds"
 - Increased Medicare DSH cap of some hospitals from 5.25% to 12%
- 340B Impact: Many small rural & urban hospitals with adjustment percentage >11.75% are eligible April 1, 2004 to participate in 340B Drug Pricing Program

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003

- **Section 1002: “Clarification of Inclusion of Inpatient Drug Prices Charged to Certain Public Hospitals in the Best Price Exemptions for the Medicaid Drug Rebate Program”**
 - Amends Medicaid Rebate Law to exclude inpatient prices from best price reporting by drug manufacturers
- **Impact: Possible discounts on inpatient drug purchases to participating 340B hospitals**

Contact hospital's Finance Dept. to obtain **Disproportionate Share Adjustment Percentage**

If >11.75% (based on most recent cost reporting period)

Provide letter from Fiscal Intermediary with new adjustment percentage. (See sample letter at [http://bphc.hrsa.gov/opa](#))

Download 340B registration forms <http://bphc.hrsa.gov/opa>

If < 11.75%

STOP HERE!
Ineligible for 340B

PUBLIC HOSPITALS

PRIVATE NON-PROFIT HOSPITALS

Enrollment Letter

Supplemental info:
Verify state/local Government owned/operated

Certification of contract with state/local government

Outpatient GPO Exclusion

Submit all forms to:
BPHC/OPA

RESOURCES

- PharmTA Program can supply both tools (written material designed to answer questions & provide information) and individual help through pharmacy consultants.
- 1 866 PHARMTA or Links thru OPA or PSSC web sites

RESOURCES

- NACHC
 - Issue briefs on pharmacy relevant topics
- 340B Coalition Conference
- Medpin – 340B manual & spreadsheets
 - info@medpin.org
 - www.medpin.org

HRSA's Pharmacy Services Support Center (PSSC)

- **American Pharmacists Association (APhA)**
 - American Association of Colleges of Pharmacy, American Society of Healthsystems Pharmacists and other partners
- **Services to PAB and 340B covered entities**
- **Information and analysis**
- **Relationships and networking**
- **Technical Assistance/Program development**

HRSA's Pharmacy Affairs Branch

Contact Information

PSSC Telephone: 800-628-6297

Prime Vendor: 800-270-8464 x4141

TA: 866-PharmTA

Web: <http://bphc.hrsa.gov/opa>

QUESTIONS ?????

