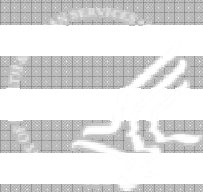


# 340B Basics – Introduction to the Federal 340B Drug Pricing Program September 22, 2011

Office of Pharmacy Affairs  
Health Resources and Services Administration  
Department of Health and Human Services

Presented By  
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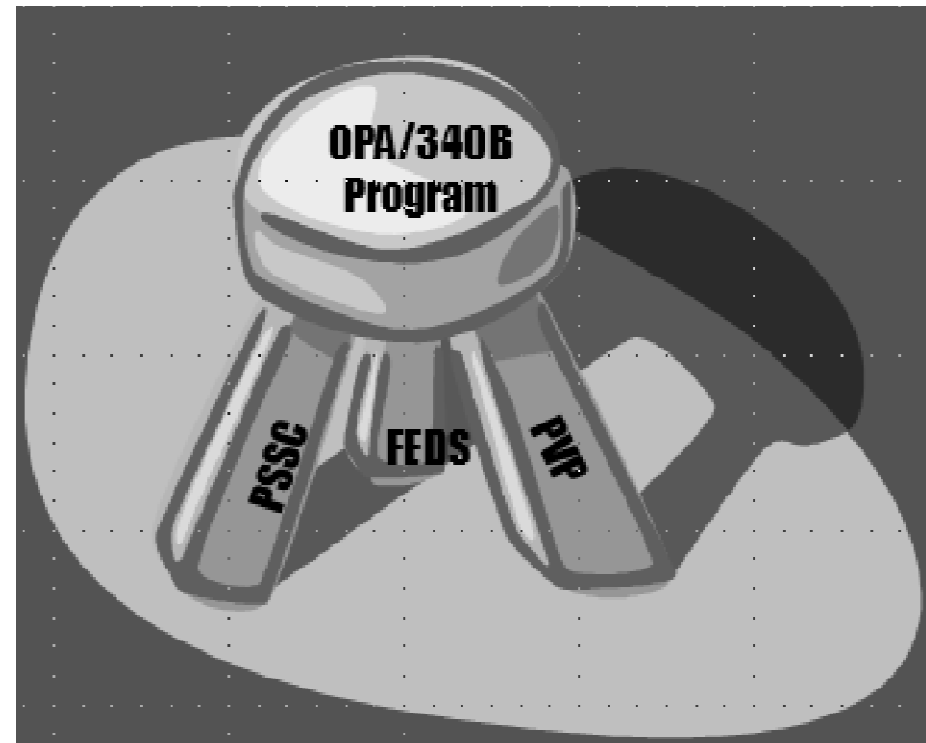
# Office of Pharmacy Affairs Mission

To promote access to clinically and cost effective pharmacy services

- Maximize the value of participation in 340B
- Develop innovative pharmacy services
- Serve as a Federal resource for pharmacy practice

# Program Administration

- Three Legs of the OPA
  - Federal Team
  - Pharmacy Services Support Center (PSSC/PharmTA)
  - 340B Prime Vendor Program (PVP)



# HRSA Pharmacy Services Support Center (PSSC)

Contract with the American Pharmacists Association

- Services to 340B covered entities
  - Free Technical Assistance
  - Program development
  - Information and analysis
  - Relationships and networking
  - Peer to Peer Learning and Support

# 340B Prime Vendor Program (PVP) managed by Apexus®

- No cost to participate
- Drug price negotiation services
  - Discounts on over 3500 covered drugs
  - Discounts average 15% below 340B ceiling prices
  - Representing over \$5 billion in purchase volume for over 10,000 participants
- Multiple wholesale distributor agreements
- Favorable discounts on other pharmacy related products/service

# 340B Program: Overview

- Provides discounts on outpatient drugs to certain safety-net covered entities
- Intent is to allow safety net entities to increase patient services with savings
- Estimated \$6 billion dollars in 340B drug purchases last year
- Manufacturers that participate in Medicaid must also participate in the 340B Program

# 340B Program Benefits

- Average savings of 25-50% on outpatient drug purchases for 340B covered entities
- Savings may be used to:
  - Reduce price of pharmaceuticals for patients
  - Expand services offered to patients
  - Provide services to more patient
- Entities are eligible for the Patient Safety Pharmacy Collaborative



# Select Program Prohibitions

## Diversion

- Drugs provided to individuals who are not patients
- Drugs dispensed in an area of a larger facility that is not eligible (e.g. an inpatient service, a non-covered clinic)
  - Entities are encouraged to enroll all eligible outpatient or children sites

# Eligible Entities

## Federal Grantees

- Comprehensive Hemophilia Treatment Centers
- Federally Qualified Health Centers
- Urban/ 638 Health Center
- Ryan White Programs
- Sexually Transmitted Disease/Tuberculosis
- Title X Family Planning

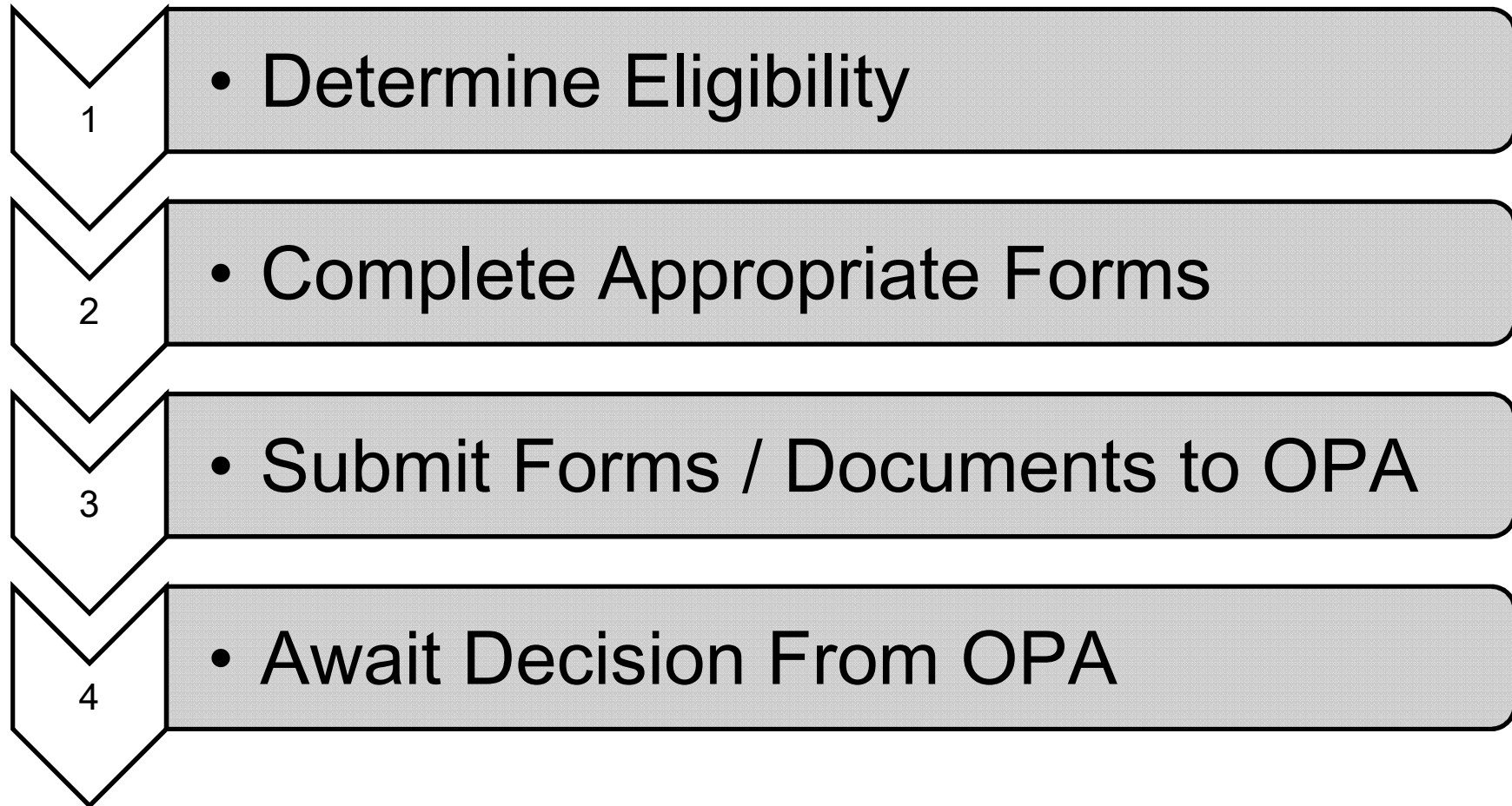
## Hospital Types

- Disproportionate Share Hospitals
- Critical Access Hospitals
- Rural Referral Centers
- Sole Community Hospitals
- Children's Hospitals
- Free Standing Cancer Hospitals

# Hospital Eligibility Criteria

| <b>Covered Entity Type</b>       | <b>Non-profit/govt. contract</b> | <b>DSH%</b> | <b>GPO Exclusion</b> |
|----------------------------------|----------------------------------|-------------|----------------------|
| Critical Access Hospital         | Yes                              | No          | No                   |
| Rural Referral Center            | Yes                              | $\geq 8\%$  | No                   |
| Sole Community Hospital          | Yes                              | $\geq 8\%$  | No                   |
| Free-standing Cancer Hospital    | Yes                              | $>11.75\%$  | Yes                  |
| Children's Hospitals             | Yes                              | $>11.75\%$  | Yes                  |
| Disproportionate Share Hospitals | Yes                              | $>11.75\%$  | Yes                  |

# 340B Enrollment Steps



# 340B Enrollment

Once enrolled in the newly participating entity must:

- Set up an account with wholesaler using 340B ID
- Determine if contract pharmacy services are appropriate
- Contact PSSC for assistance with any/ all technical issues
- Contact the PVP to discuss participation in their added services.

# 340B Database

- Entities are not eligible for the program unless listed in the 340B database
- Wholesalers will not ship discounted drugs unless it is an exact match to the 340B database
- Information is updated daily
- All information is available to export in .csv files

# Contract Pharmacies

- 340B program allows entities to have multiple contract pharmacies for increased patient access to cost effective pharmaceuticals. The guideline was published in the *Federal Register on March 5, 2010*
- The Covered Entity purchases the drug, but “ship to - bill to” procedure may be used
- The Covered Entity retains legal title to all drugs purchased under 340B. The Covered Entity must pay for all 340B drugs.

# Contract Pharmacies Cont.

- The contract pharmacy is subject to audits diversion and duplicate discount provisions
- A single covered entity (parent organization) is permitted to enter into contracts with one or more pharmacies to provide services to all sites of the covered entity.
- 15% of entities have a contract pharmacy arrangement

# Patient Safety and Clinical Pharmacy Services Collaborative: Overview

**WHAT:** Improve patient safety and health outcomes, through integration of medication management/clinical pharmacy services into the care and management of high-risk, high-cost, complex patients.

**WHY:** Growing burden of chronic disease, polypharmacy, highly fragmented, uncoordinated care delivery.

**WHO:** Now in its 3<sup>rd</sup> year - Over 120 community based teams are driving this work

# PSPC Cont.

- Action learning collaborative that produces three strategic results in communities nationwide:
  - Population Health Status Breakthroughs
  - Medication Safety Breakthroughs
  - Community capability to build patient-centered, integrated delivery systems
- PSPC fosters high-performing delivery systems for the patients at highest risk

# Contact Information

Office of Pharmacy Affairs (OPA)

Phone: 301-594-4353 or 1-800-628-6297

Web: [www.hrsa.gov/opa](http://www.hrsa.gov/opa)

[www.hrsa.gov/patientsafety](http://www.hrsa.gov/patientsafety)

Pharmacy Services Support Center (PSSC)

Phone: 1-800-628-6297

Web: [pssc.ahpanet.org](http://pssc.ahpanet.org)

Prime Vendor Program (PVP)

Phone: 1-888-340-2787

Web: [www.340bpvp.com](http://www.340bpvp.com)

# Contact Information

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