Optimizing Your Contract Pharmacy Program

Outlook, Challenges, and Opportunities

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Agenda

• 340B Updates from the Field
• Integrated Pharmacy & 340B
• Optimizing 340B Participation
• Conclusion
• Discussion
Who I am and what I do?

Develop tailored pharmacy strategies for healthcare entities

• Initial assessment of opportunity within the following areas:
  – Pharmacy benefit manager (PBM)
  – Specialty pharmacy (SP)
  – 340B
  – Outpatient/retail pharmacy

• Assist with implementation and operationalizing initiatives to include:
  – Full implementation and compliance validation of 340B programs
  – On going compliance and program oversight of 340B programs
  – PBM selection and transition
  – Specialty pharmacy accreditation URAC, ACHC, VIPPS
  – Hospital owned retail pharmacy

• Optimization of all pharmacy and associated population health initiatives
  – Additional savings capture for 340B entities
  – Medicaid carve-in
  – Meds to beds program
  – Direct to employer contracting and on-site health services provided by hospital providers
  – Contract pharmacy service agreements

340B Updates from the Field
340B Updates From the Field

• HRSA Audits
  – Multiple supported in 2018 and 2019
• Audit Trends
• Audit Common Topics
• HRSA Final Report & Areas for Improvement

Audit Trends

• 200 audits are expected in 2019
  – Historically, over 60% of audits have findings
    • Over 50% of findings require repayment
      – Repayment is usually greater than $15,000
  – Findings usually are focused around:
    • Scripts being written at ineligible locations
    • Patient’s being inpatient at the time of administration
    • Incomplete documentation in the patient’s chart

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*Data in table sourced from data compiled by 340B Health*
Audit Common Topics

• DME and vaccines
• Hard copies of prescriptions
• Exclusive vs non-exclusive providers
• Clinic locations
• MCO/FFS Medicaid and duplicate discounts
• Contract Pharmacies and duplicate discounts
  – Recommending terming chain facilities you are not utilizing

Integrated Pharmacy & 340B
Integrated Pharmacy & 340B

- Integrated pharmacy is a strategy that allows healthcare providers within a community to keep healthcare local while strengthening relationships with employers and patients. The strategy alleviates challenges from outside institutions faced by multiple community healthcare stakeholders by leveraging the inherent advantages of each stakeholder.

- The strategy focuses on four aspects of the pharmacy marketplace: PBM, specialty, 340B, and retail pharmacy.

Why is a full understanding of integrated pharmacy necessary for 340B success?

Because it is all connected and outside institutions will find ways to limit your success:

- Plan controls hospital access to employer groups, reimbursements for service provided to lives of the plan, site of care etc.

- Some PBMs controls hospital pharmacy network reimbursements, hospital employee pharmacy benefit, narrows network to owned specialty and retail operations.
Why is a full understanding of integrated pharmacy necessary for 340B success?

- Because it is complicated and you need to understand the affects each has on the other in order optimize revenue and better position yourselves in the future.
Optimizing 340B Participation

• Referral Capture
• Orphan Drugs and Home Visits
• Provider Panel/List
• Contract Pharmacy Heat Mapping
• Bedside Delivery of Medications
• C2 Capture

Referral Capture

• Analysis from 340B CE contract pharmacies and vendor partners revealed on average the referral prescription capture rate is 2% and specialty capture nearly absent.
  – Currently, 30-40% of all pharmacy revenues are specialty pharmaceuticals
  – 2-3% of patients prescriptions are SP
  – 2022 Outlook: 47-50% of US Drug Spend | 17-20% Growth in 3 years
  – 50% of new drugs are being designated ‘specialty’
• Most administrators do not know about the opportunity and/or do not care to assist you in compliantly capturing the additional savings
Referral Capture

- **A B C’s (not hard)**
  - **A:** Established relationship with pt.
  - **B:** Pt receives care from a provider
    - Employed
    - Contracted
    - Referred
  - **C:** Services delivered within the scope and intent of the program (Funding etc.)

- Have the discussion with the 340B team how you want to navigate
  - Philosophical (gray)
  - Understand at actual risk
  - Understand the program is different today, significant changes even in the last year

*Never lose sight that the patient is yours*
Referral Capture P&P Considerations

• Hard
  – {Entity Name} will ensure documentation for all claims captured in a referral relationship includes patient encounter, eligible site and referral order. {Entity Name} will attempt 3 times to obtain a consult note from the referral provider, if a response is not received even though the referral provider is consulting as evidenced by claim data {Entity Name} will consider the claim eligible. All referral claims will be considered eligible for a 12 mo. period, after 12 months an attempt to renew/obtain a new consult note will be made. Should a consult note be received but a referral order not found the primary care physician can send a referral order clarifying that the patient needs to be seen by the referral provider and the claim will be captured up to 6 months retrospectively and ongoing for a total of one year when a renewal attempt will be made.

Orphan Drugs and Home Visits

• Orphan drug
  – Letters
    • 8 manufactures with 12 drugs
    • Remicade savings: 35%
    • Neulasta savings: 17%
  – Examples
    • RRC: 1 Drug = $35,000/mo
    • CAH: 1 Drug = $23,000/mo

• Home visit
  – Past
    • i.e. Nursing home visit-not eligible
    • Findings
    • Significant repayment
  – Now
    • Apexus supports claims as eligible
    • Need P&P language
Orphan and Home Visit P&P Considerations

• Orphan
  – Keep letter or other communication on file (work with wholesaler)
  – Example of language
    • [Entity Name] will comply with the HRSA guidelines with regard to the orphan drug exclusion. However, should a manufacturer afford a 340B like drug price to the entity for a medication classified as an orphan drug, the entity will purchase at the 340B like price outside of the 340B program guidelines.
      – Technically, 340B like pricing is outside of the program but a good idea to address in P&P’s

• Home visit
  – Apexus definition:
    • A visit to a patient who is seen outside the hospital or clinic at his or her place of residence either physically or through tele-health means. Prescription eligibility can be generated from home visits when a prescription is written from an eligible provider contracted to provide an eligible service where the billing expenses can be traced to a reimbursable location on the MCR.

  » Elizabeth Faust, MHA 340B Education & Compliance Specialist

Other Opportunities

• Provider Panel
  – Oversight
    • Even standard/exclusive docs are falling out (some TPA’s)
  – Updates
    • Failing to terminate docs continues be significant source of diversion
    • Failing to add docs in a timely manner continues to be source of missed savings

• Contract Pharmacy Heat Map
  – Mining EHR; escribe data & claims data i.e. leakage to specialty pharmacies

• Bedside Delivery
  – HCAPS
  – Readmissions
  – Patient Outcomes
  – Stronger CP relationships

• C2 Capture
Questions?

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