340B Operational Overview
Split Billing
Contract Pharmacy
Cash Programs

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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
340B Programs = Internally Dispensed & Contract Pharmacies

Split-Billing / Mixed Use

Hospital/Health Center

Contract Pharmacies

340B Replenishment
Charge Master Updates
Invoice Analysis & Reconciliation
Invoice Audit
GPO Contract Monitoring & Analysis

ED Outpatient Infusion

Virtual Inventory
Self Audit
Claims Analysis & Reporting
Third Party Capture (refills)
Extend program benefits to uninsured

Pass along savings to uninsured patients

Split-Billing Solutions

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

Impact of the Medicaid “look back”

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<th>NDC</th>
<th>Description</th>
<th>Savings from LB</th>
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2 products, 1 month
This can be significant added savings which is missed most of the time
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”**

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<th>Description</th>
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**Total Savings:** $170,891.65
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
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

<table>
<thead>
<tr>
<th>Pharmacy</th>
<th>Captured Referral Claims</th>
<th>Savings</th>
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<tr>
<td>#1</td>
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<td>#9</td>
<td>24 of 49 possible</td>
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$61,495.78

1 Critical Access Hospital
1 month savings

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### Cash Programs

- 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

![Uninsured Discount Prescription Card](Image)
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"M'S CARE BY $52,000 PER MONTH IN JUST 9 MONTHS."
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
Merck  www.merckhelps.com
Gilead  www.gileadadvancingaccess.com
Bristol-Myers-Squibb  www.bmsaccesssupport.com
AstraZeneca  www.rxassist.org
Genentech  www.Genentech-access.com

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.

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
### 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”

### 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
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

Subsidy / Cash Program Process

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**340B Uninsured Discount Prescription Card**

- Adjudicate Rx Card
- Contract Pharmacy
- Members

TPA Process with PBM
- Confirm Eligibility
- Confirm Lowest Cost

Real-Time is Ideal

- Patient or Hospital
- Copay Calculation
- Savings
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
Questions

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858.226.8189