340B Drug Purchasing Opportunities for Critical Access Hospitals

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340B Drug Purchasing Program

• Created to allow savings in outpatient medication purchases for entities that provide care for underserved patient population.

• Program intent is to allow entities to utilize the savings from the program to better care for this underserved population.

• 340B is administered by the Health Resources and Service Administration’s (HRSA) Office of Pharmacy Affairs (OPA)
Not currently using 340B?

• If you are a critical access hospital, it is worth your time to look to see if you qualify for the 340B program

• One stop:
  • Apexis Prime Vendor Help Desk
    – 1-888-340-2787
    – ApexusAnswers@340Bpvp.com
    – Paid by HRSA to assist with 340B “how to questions”
340B new start example

- Critical access hospital (CAH) dispenses pegfilgastrim to hospital outpatients seen by a oncologist that contracts with their facility.
- $800 difference between the 340B purchase prices and the GPO purchase price
- 2 doses dispensed a month turns into a $19,200 savings over 1 year
The Next Step

- Expand to more drugs and more locations
- 340B eligible clinics owned by hospital
- Clinic administered medications
- Still can be done with paper/excel spreadsheet documentation
- 50,000-250,000 in savings/year
Expanding further

- Facility owned long term care (on cost report)
- Requires expanded tracking
- Third party software vendor?
Go Big

- Contract pharmacy (one or more)
- Start with nearest pharmacy or pharmacy most used by your clinic/hospital patients
- Third party software vendor a must
- Can be $50,000 to $200,000 in revenue
Contract Pharmacy

• You “own” medication inventory and receive the profit from the sale
• The pharmacy benefits by an enhanced dispensing fee and not having to own the inventory
• Inventory can be set up to be automatically reordered with third party software
What to do with the savings?

• Vacation home in Spain (probably not)
• Build your pharmacy services program
  – Create an indigent patient medication program
  – Expand clinical pharmacy services to improve medication management for all patients
  – Create new pharmacy services at your facility
  – Become a 340B Peer to Peer site
340B Resources

340B University
340B Peer to Peer
Patient Safety and Clinical Pharmacy Services Collaborative (PSPC)
340B University

• Free programs on 340B
• Generally associated with an APhA or ASHP meeting
• Most up to date information from HRSA
• https://www.340bpvp.com/education/340b-university/
340B Peer to Peer

- Free webinars by best practice sites utilizing the 340B program
- “How to do it” information
- https://www.healthcarecommunities.org/Help/FAQs.aspx
PSPC

- Patient Safety and Clinical Pharmacy Services Collaborative
- In 5th year of the collaborative
- Currently 200 teams
- CMS working with QIOs to measure team outcomes
New Focus

• HRSA has spent much of its resources in the past educating eligible entities on the 340B program
• Current focus is on program integrity
Integrity = Audit

• 2012 51 audits were done
• Greater complexity = greater chance of audit
• Focus areas
  – Eligibility
  – Policies- purchase, inventory, dispense, billing, diversion, records
  – Internal controls
• Audit Information
  https://www.hrsa.gov/opa/program-integrity/index.html
Audit

• Request for documents
  – Policies, data of medications use, cost report, provider identifiers, clinics

• On site review
  – Random review of medication use from eligibility to billing

• Audit is meant to be corrective, not punitive (unless you are doing it on purpose!)
340B Audit success

• Eligibility
  – Patients are eligible
  – Location
  – Provider
  – Medication

• Record keeping
340B Audit success

• Do your own audits
  – Pick random patients
  – Follow them through your system

• Third party system
  – Check their work too
  – If you find out you goofed by accident, correct the problem and report it.
What are you doing with your 340B funds?

• Back to the original intent of the program
  – Are you helping out those in need?
  – Are you expanding access to patients?
  – Clinical pharmacy services