NATIONAL ASSOCIATION OF Community Health Centers

Pharmacy Access Office Hours

June 18, 2020

Focus Topic: Rx affordability for patients over 200% FPL

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WEBINAR LOGISTICS

We strongly recommend calling in **on your telephone**

Phone: 866-469-3239

Access Code:
632 274 023 #

Your Attendee ID:
Listed below the access code in the box under "Select Audio Connection".

To ask/ answer a question, or share a comments, please use the Chat box on the right hand side of the screen.

You can download **these slides** on Noddlepod, & from NACHC's 340B/ Rx webpage:

http://www.nachc.org/focus-areas/policy-matters/340b/

Or go to NACHC.org and search 340B

THE NACHC MISSION

America's Voice for Community Health Care

The National Association of Community Health Centers (NACHC) was founded in 1971 to promote efficient, high quality, comprehensive health care that is accessible, culturally and linguistically competent, community directed, and patient centered for all.

Agenda

- Operational Updates Tim Mallett, RPh
- Focus Topic: Rx affordability for patients over 200% FPL, Colleen Meiman, Tim Mallett, RPh
- Q&A

Discussions in the comment box throughout the regular presentation

Site registration in the era of COVID-19

- HRSA has announced that they will allow CEs immediate enrollment "upon request and review"
- For information on how to register your site please see the FAQs here: https://www.hrsa.gov/opa/COVID-19-resources

Pharmacists response to COVID-19

- APhA offering training for pharmacists on COVID-19 specimen collection. Free to both members and non-members alike. http://elearning.pharmacist.com/products/6020/covid-19-nasopharygeal-specimen-collection-training NO information on billing
- NCPA issued a fact sheet on COVID-19 testing at Community Pharmacies https://ncpa.org/sites/default/files/2020-04/COVID-19-testing-info-for-NCPA-members.pdf
- Need to have CLIA certificate of waiver https://www.cms.gov/Regulations-and-Guidance/Legislation/CLIA/Downloads/HowObtainCertificateofWaiver.pdf

Kalderos update

- 30 million in venture capital for expansion
- Adding a point of sale component
- “effectively preventing noncompliant drug discounts from happening in the first place.”
- Would dispense retail purchased meds and be rebated for 340B eligible (like state MCaid)
- Many other changes in the works
- See article at 340B Health
- **Stay tuned !**

Telehealth and 340B

- 340B use for Rxs from Telehealth visits is allowed
  - Prescriber must be employed by or under contract with the health center
  - Medical Records of telehealth visit
  - Service provided must be within the scope of health center's grant

- On Monday, a group of 30 senators called for Congressional leaders to ensure expanded Medicare reimbursement continues after the pandemic subsidies.

Remote Audits by the Bizzell Group for OPA/HRSA

- The Bizzell Group has been conducting audits remotely
- CHC Feedback on the experience
  - Requests for similar data as when done live
  - Received the information on what rxs needed to be copied the day before
  - Give CPs advanced notice
  - Similar review of data
    - Diversion
    - Duplicate Discount
  - Completed in one day
    - No in-house
    - No CAD

Walgreens 340B negative accumulation policy

- Has been in place over a year
- Reminder on program specifics
- Jason Reddish, Partner, Feldesman, Tucker, Leifer Fidell

340B use during civil unrest

Apexus 340B Prime Vendor PROGRAM

- Question was posed to Colleen regarding the use of 340B for non-FQHC patients who had lost access to their pharmacy as a result of the recent civil unrest
- Katheryne Richardson, PharmD, VP 340B Compliance for Apexus

Update on California's budget changes impacting 340B

- Major concerns regarding moving MCO pharmacy benefits into FFS (MediCal)
- Liz Oseguera CA PCA – Update on their efforts

340B Coalition Summer Conference has gone virtual!

July 20-29, 2020

About the event:

- 5 day event spread across 2-weeks
- Includes the pre-conference workshops
- Virtual exhibit hall and networking opportunities
- 4 CHC specific sessions
  - Breakout session
  - Expert Session 1: Evolving Practice Models
  - Expert Session 2: Role and Adaptation in a Pandemic
  - Expert Session 3: Clinic Administered Drugs
- Opportunity for "chat room" sessions with panelists following sessions

Why this Coalition Conference is a "must":

- Never has the need to network with our peers been greater
- Cost reduced by 30% and no travel expenses
- Full CEU credit
- Many sessions are offered "on-demand"
- We can't afford to loose the momentum gained over the last 10 years
- We have the opportunity to set the standard for future events

https://www.340bsummerconference.org/

One more thing…..

- July Office Hours Focused Topic – Assisting with co-pays for patients with EPPAP/SFS
  - September - Setting up delivery services for in-house pharmacies
  - **Looking for presenters!**

- COVID-19 Noddlepod – Please contact me tmallett@340Basics.com or Susan Hansen shansen@NACHC.COM if you would like to have access to this information.

- Manufacturer notices from HRSA https://www.hrsa.gov/opa/manufacturer-notices/index.html
  - Teva was the most recent manufacturer to come forward

Please do the one-minute evaluation

https://www.surveymonkey.com/r/WMLDVNT

(Your responses help us demonstrate to BPHC that these sessions are a valuable use of their funding.)

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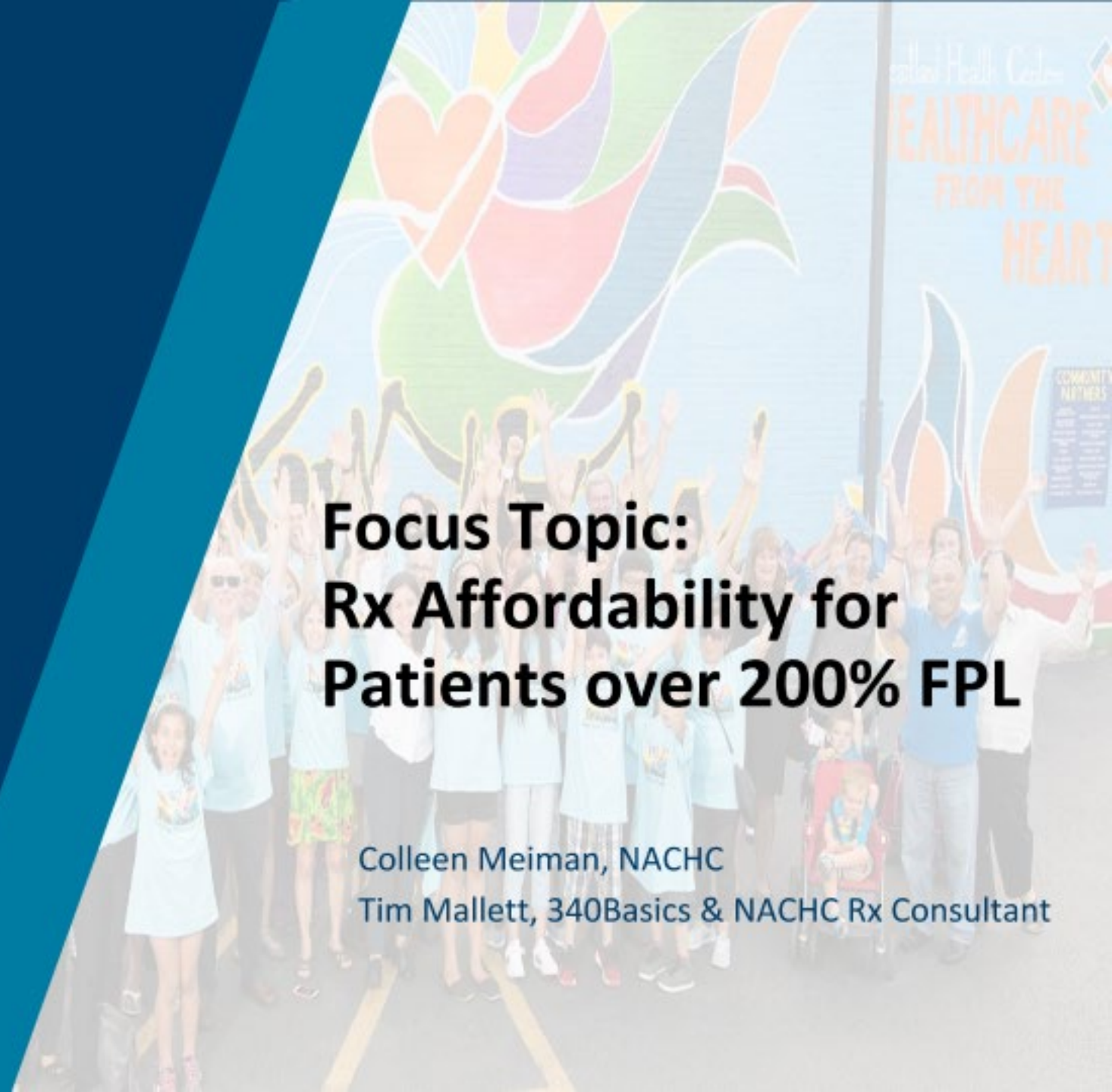

Focus Topic: Rx Affordability for Patients over 200% FPL

Colleen Meiman, NACHC
Tim Mallett, 340Basics & NACHC Rx Consultant

Making Rx Affordable for Patients Below 200% FPL

During last month's Office Hours we discussed that:

- Health centers are generally expected to make Rx affordable for low-income patients.
- BPHC SFS rules apply only to the professional dispensing fee (pdf) – ***if the FQHC lists a distinct pdf on its schedule of fees.***
    - SFS rules do not apply to the ingredient cost of a Rx, as it is considered a "supply", rather than a "service.".
- Since the standard BPHC SFS does not apply to Rx, a new term is needed for FQHCs' program to make Rx affordable for low-income patients.

"EPPAP" – Eligible Patient Pharmacy Assistance Program

- Tim coined the term "Eligible Patient Pharmacy Assistance Program" – EPPAP.
- An EPPAP should describe how you help patients ***below 200% FPL*** afford their medications.
- But what about patients with incomes above 200% FPL?
- This discussion will address:
  - Why EPPAPs need to be limited to patients below 200% FPL
  - Options (and non-options) for assisting patients over 200% FPL

330 Grant Funds & Rx Discounts

- **330 Grant Funds** may only be used for purposes explicitly permitted in the statute.
  - The statute explicitly limits SFS discounts to persons below 200% FPL

- Also, the 330 statute says nothing about discounts on Rx.
  - Discounts are required only on services, not supplies.
    - As discussed, the drug itself is considered a supply; only the pdf (if any) is a service.
  - So 330 grant funds cannot be used for discounts on the drugs themselves -- *even for patients below 200% FPL.*

Bottom Line: 330 grant funds cannot be used to fund discounts on pharmaceuticals (the ingredient part.)

330 Program Income & Rx Discounts

- Program Income (including 340B savings) can & should be used to provide discounts on Rx for patients below 200% FPL.

- **In theory,** could argue that Program Income (PI) should be allowed to be used for Rx discounts above 200% FPL ,because this use:
  - is "not specifically prohibited under [Section 330] and
  - "furthers the objectives of the project."

- **In practice,** BPHC does not allow Program Income (PI) to be used for any discounts for persons above 200% FPL, even for services.
  - ***They view the statutory limit of 200% as applying to all 330-related funding.***

Bottom Line: BPHC assumes that 330 Program Income (e.g., 340B savings) is used to make Rx affordable for persons <u>below</u> 200% FPL -- but they will not approve using Program Income for discounts on Rx for persons <u>above</u> 200% FPL.

Do we need different rules for Rx discounts for patients above and below 200% FPL?

- YES!

- Tim will explain the details, but in short, giving Rx discounts to all your patients above 200% will:
  - Result in decreased revenues from private insurers (U&C), and
  - Put you out of compliance with the BPHC requirement to maximize revenues.

Why can't I give all our patients discounted medications?

- Per the 330 Grant Compliance Manual
  - May not discount charges for patients over 200% FPL
  - Must maximize your returns by billing insurance and collecting co-pays
- You may **not** set up pricing just for "your" patients through your in-house pharmacy
  - eg. Star CHC pricing for our patients – Humalog $20
  - Many CHCs have set up a "340B Program" that discounts the price of rxs for **any** patient of the CHC
  - Doing this is not permitted by the 330 Grant and can put you at risk for violating your PBM contracts (U&C discussed next)
  - Does not apply if you operate a dispensary style pharmacy (no insurances are billed)
- **All** CHC patients that meet the patient definition may receive 340B purchased meds – but **not all** patients may get a discounted price

The role of U&C

- U&C = Usual and Customary = Cash price for patients without insurance
- PBMs reimburse pharmacies at the **lesser** of:
  - A formula like AWP – 25% or.
  - Your U&C or,
  - MAC (Maximum Allowable Cost)
- Your U&C **must be the same** for 340B patients and retail patients
  - We cannot undercut "cash" prices for 340B patients
    - Need to be at prevailing rates in your community
- You cannot maximize your 340B savings when drastically discounting your U&C

Simplified Example of how U&C works

- I want to sell Humalog to all my CHC patients for $20
- I bill insurance for other patients and am reimbursed at AWP – 20% = $300 (a fictitious reimbursement)
- If my cash price to patients is $20 that is truly my U&C
- The PBM, per their contract pays the lesser of AWP – 20% or my U&C
- SO….. Instead of making $300 I will be reimbursed $20 and leave $280 “on the table”

You may not charge your patients a standard fee of $20 and set a U&C up to orgreater than the $300 the PBM will pay you.

But what about …….???

- $4 Prescriptions
  - They are fine but…
    - Your U&C needs to be $4
    - Cannot charge the patient $4 and bill insurance $10
    - Walmart
- Prescription "Clubs"
  - Can be done…
    - Must charge patient an application fee to participate
    - WAGs ($20/$35 per year)
- Discount Cards
  - CVS
  - Good Rx
  - Fine to use
    - Found that even with 340B pricing we lost money
- Many independent pharmacies moving away from clubs

How do I help patients over 200% FPL?

No perfect answer, but here are some options:

- Patient Assistance Programs (PAPs)
  - Can be run out of the pharmacy or other department
  - Some manufacturer allow up to 400% FPL
  - Keep PAP medications separate from pharmacy stock
    - In a separate room
- Choose to accept discount cards
  - Even at a financial loss
- Set up a $4 program for some generics
  - U&C for those medications are now $4
- Chose to set a lower U&C for Novolin products (AAC $0.10)
- Foundation Assistance – more next month
- My **least** favorite option
  - Suggest patient use another pharmacy that offers lower discounts than you choose to offer

- **What do we still need to talk about?**
- Hot topics?
- Questions?

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