

It's All About Vision: The Role Vision Plays in your 340B Strategic Planning Process

ACHE Session
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An Independent Chapter of



American College of
Healthcare Executives
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Agenda

3:30 Welcome

3:35 340B “101”

3:50 Panelist Introductions & Vision for 340B

- **Jason Collins, Owensboro Health**
 - **Kimber Boothe, St. Elizabeth HealthCare**
 - **Vylinda Howard, Highlands Regional Medical Center**
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4:10 Panel Discussion and Q&A

340B “101”

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340B. Simplified.[®]

Powering Compliance & Savings

Section 340B of the Public Health Service Act...

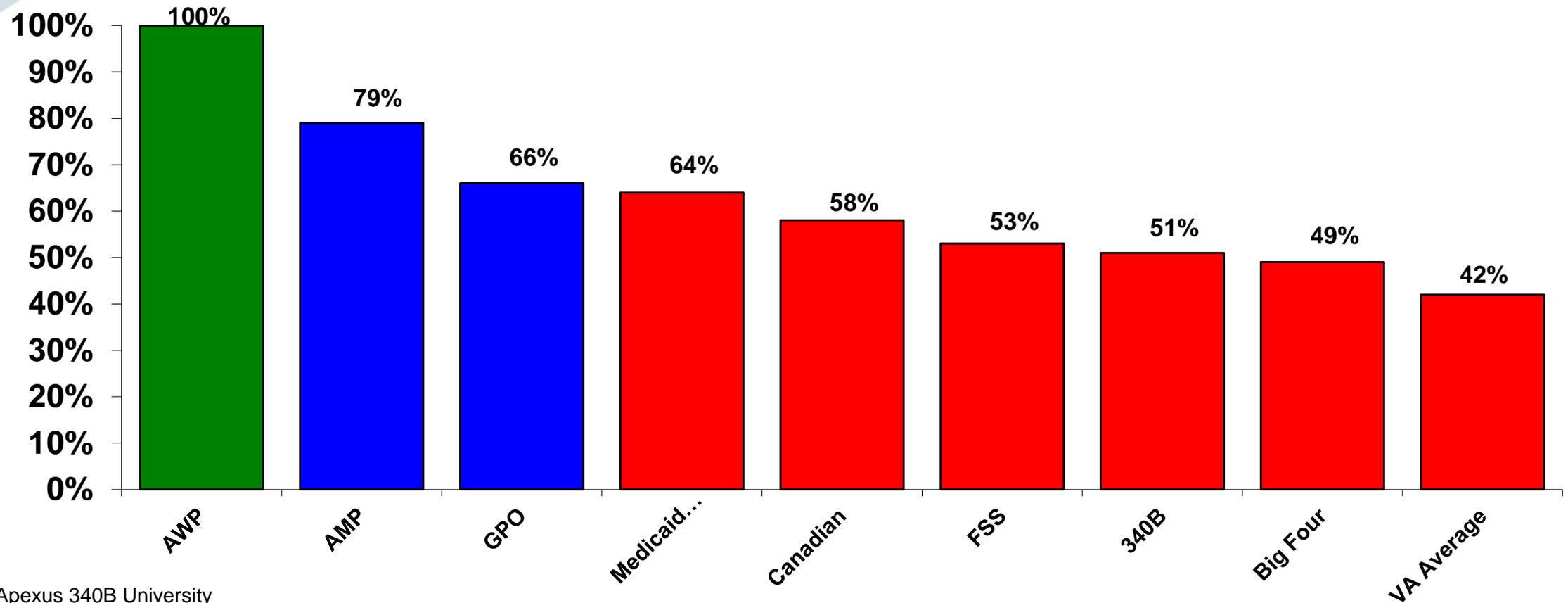
*...is a federal program that allows
Covered Entities to purchase
medications at a significant discount*

Enables safety net providers to:
*“stretch scarce federal resources as far as
possible, reaching more eligible patients and
providing more comprehensive services.”*

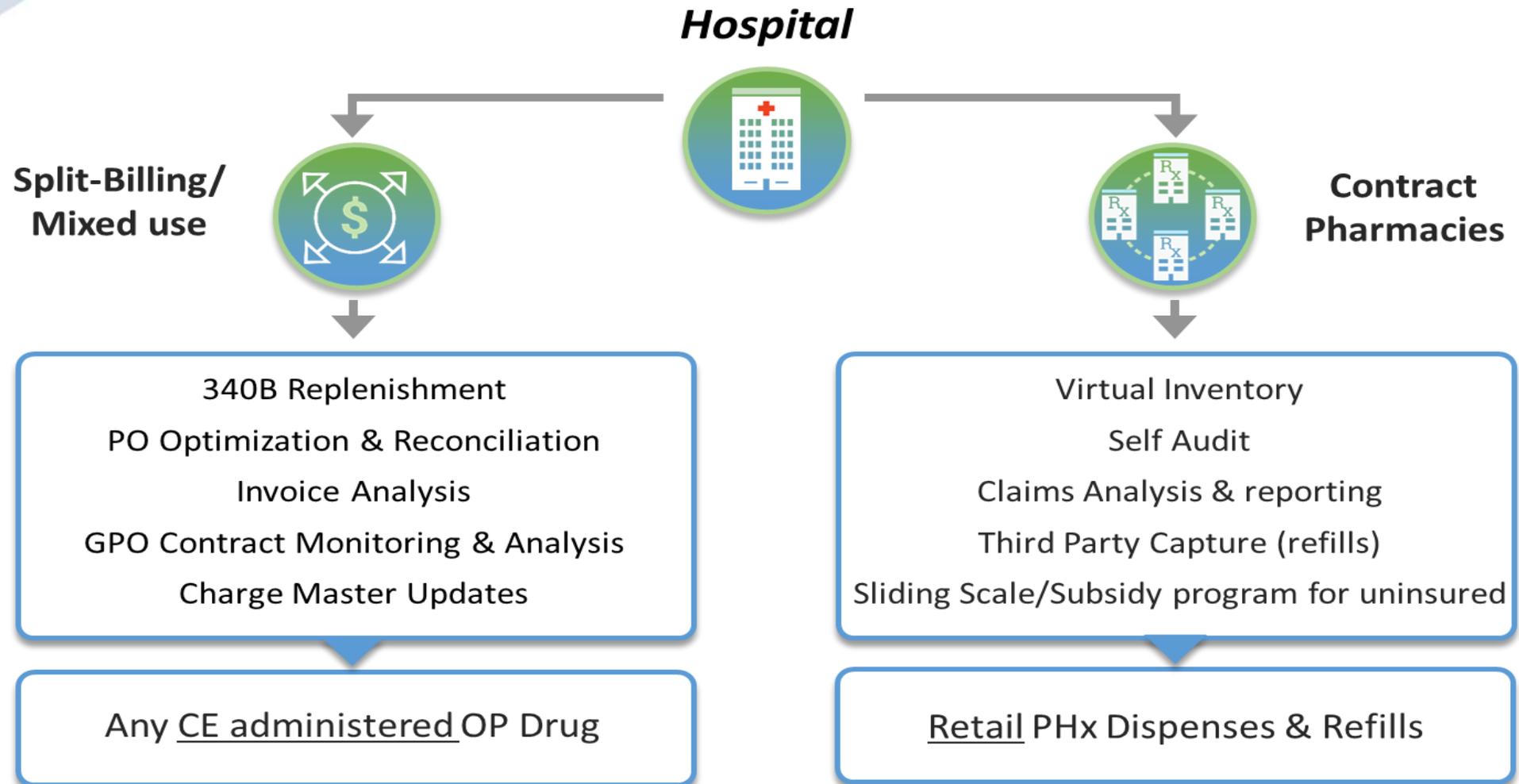
Which Providers are Eligible?

Hospitals	Health Center “Grantees”
Disproportionate Share Hospitals	FQHC (and FQHC Look-alike)
Children’s Hospitals	Ryan White (HIV)
Critical Access Hospitals	STD Clinics
Sole Community Hospitals	Hemophilia
Rural Referral Centers	Others (i.e., Migrant, etc.)

Average Relative Savings



340B Programs: Supply Chain & Pharmacy Networks



Changes since 1992

- **Expanded definition of Covered Entities**
 - Originally Disproportionate Share Hospitals (DSH) and certain “community health centers” (FQHCs or CHCs)
 - Now includes Critical Access Centers, Rural Hospitals, Ryan White Clinics, Children’s Hospitals, and more
- **“One-to-one” is now “One-to-many”**
 - More likely now for chain pharmacies to participate
 - Chain pharmacy expanded access points
- **“Virtual” inventory replaces “physical” inventory**
 - Facilitates replenishment models
- **Medicaid rebating**
 - “Pharma” only responsible for “one discount per Rx”
- **Rapid Growth of the program**
 - 22.8% per year CAGR during 2012-2017

340B Compliance...it's complicated

A few Issues to consider

- GPO Exclusion
 - DSH, Children's, Cancer Hospitals
- Orphan Drug Exclusions
 - CAH, RRC, SCH
- Duplicate Discounts
- Medicaid
 - Exclude Contract Pharmacies
 - Carve-in vs. Carve-out
 - MCO ambiguity
 - Actual Acquisition Cost
- Medicare
 - Part B Cuts
 - » Injunction granted...but issues remain

340B: Current Landscape

- Generally positive Court rulings
 - Medicare Pt. B & Civil Monetary Penalties
- Intense interest by PhRMA
 - Lobby, lobby, lobby
- Divided Congress
 - Republicans control Senate, Democrats control House
- Scrutiny of drug prices
 - CMS: intent on capturing 340B savings, via Medicare & Medicaid
 - Proposed “IPI” model, Repeal of rebates, etc.
 - If successful, will impact 340B

Questions?

Introductions

Perspectives on 340B

Jason Collins, PharmD
Interim Director of Pharmacy
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Owensboro Health

Our Mission:

Owensboro Health exists to heal the sick and to improve the health of the communities we serve.

Our Vision:

It is our desire to become a regional center of excellence by actively listening and partnering to meet the individual health care needs of those we serve.

Owensboro Health

340B Steering Committee Structure

- John Hackbarth, CFO
- Debbie Bostic, COO
- Russ Ranallo, VP of Finance
- Jason Collins, PharmD, Interim Director of Pharmacy
- April Boultinghouse, MBA, Business Operations Specialists
- Joyce Stigall, 340B Financial Analyst
- Ralph Blair, Director of Internal Audit
- Rozz Cordini, Compliance Officer

Owensboro Health

340B Impact on Our Community

Owensboro Health is committed to reinvesting 340B savings into the communities we serve. These savings are used to impact the community in a variety of ways. Owensboro Health provides over **\$1 million annually in direct grant funding** for community programs and partnerships which address community health needs and focus on rural, low-income, and at-risk special populations. Savings generated through **340B have been used to provide start-up funding** and ongoing operational funding for the Community Dental Clinic serving **low-income and uninsured individuals**. This clinic has served over 13,000 patients since opening and reached over 6000 in the past year. Owensboro Health has also provided ongoing operating funding for the Daviess County Community Access Project, a prescription assistance program for low-income patients who struggle to access specialty care, cannot afford their medicine or supplies, or are in need of case management assistance in the community setting. The Audubon Area Community Care Clinic, a homeless health care clinic, has **received start-up funding and technical assistance from Owensboro Health as a result of 340B savings**.

Over the past few years, the Owensboro Health Regional Hospital has developed new ways to **pass these savings on to patients** in need. The Outpatient Pharmacy now provides a “Meds to Go” discharge medication service for patients receiving care and being discharged from the hospital. Patients with chronic diseases or high readmission risk are assigned a complex care navigator. If patients have trouble affording medications, the Case Management team helps to cover the cost for patients that lack the ability to pay on their own. Together, these programs help ensure that patients leave the hospital with the medications they need and stay connected to the care team. Over the past 12 months, these services have helped **reduce the readmission rate** at Owensboro Health from 13.8% to 12.4%. Use of these funds has enabled Owensboro Health to work strategically within the walls of the hospital and with community organizations to meet the needs of those most vulnerable and in need. Owensboro Health strives to address the social determinants of health which have a significant impact on patient outcomes.

Owensboro Health

340B Patient Stories

One of the most prominent benefits of 340B savings has been the discounted cost for cancer treatment. Advances in cancer care have steadily moved treatment options away from traditional chemotherapy (with its many side effects), towards newer biological agents. These new agents have complex manufacturing processes and come with a high price tag. One class of drugs specifically, the “checkpoint inhibitors”, has enhanced treatment options for at least ten different types of cancer. While these drugs are associated with potentially serious adverse effects, they are often well tolerated and less toxic than traditional chemotherapy, showing a reduced incidence of hair loss, mouth sores, and nausea or vomiting.

Patients deserve to receive these safer and more effective treatments. For many patients at Owensboro Health there is insufficient health insurance to cover the cost of these therapies. Owensboro Health depends on the 340B drug program to provide these medications to all patients, without consideration of their ability to pay. As the hospital purchases these high cost treatments at a significantly reduced cost via 340B, the savings in cost are used to provide charity care and ensure patient access to the best care. This is just one example of how 340B is vital to keeping cancer services affordable and accessible Owensboro Health patients.

St. Elizabeth Healthcare

Kimber Boothe, PharmD, MHA

System Director of Pharmacy

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St. Elizabeth Healthcare: Integrated Strategic Plan



Pharmacy Department Commitment:

Pharmacy will be **innovative**, **proactive**, and **accountable** for quality **patient outcomes** by optimizing **medication use** across the **continuum of care**.

St. Elizabeth Healthcare: 340B Steering Committee Members

- 340B Coordinator
- System Director of Pharmacy
- Assistant Director of Pharmacy Innovation & Strategy
- Pharmacy Business Manager
- Chief Operating Officer, Senior Vice President Professional Services
- Vice President, Chief Information Officer
- Vice President, Chief Nursing Officer
- Senior Vice President of Patient Care Services/Cancer Care
- Vice President Finance
- Vice President, Revenue Cycle
- Director of Business Operations and Professional Services
- Director of Reimbursement
- Vice President of Legal Services/General Counsel
- Associate General Counsel, Risk Management
- Senior Vice President, Chief Financial Officer
- System Director of Revenue Cycle Operations
- System Director of Finance

340B IN ACTION



St. Elizabeth Healthcare

Edgewood, KY; Florence, KY; Ft. Thomas, KY; Williamstown, KY

The 340B prescription drug program is a vital lifeline for safety-net providers, supporting critical health services in our communities. The program is narrowly tailored to reach only hospitals that provide a high level of services to low-income individuals or that serve isolated rural communities. Savings from the 340B program help hospitals meet the healthcare needs of underserved patients across the country. Congress should preserve and protect the 340B program as an essential part of the safety-net that does not rely on taxpayer dollars.

340B by the Numbers:

\$26.8M

Savings generated by the 340B program in 2018

\$42M

Unpaid Costs for Medicaid and Indigent Care in 2018

\$62.5M

Total drug spend for St. Elizabeth Healthcare in 2018

\$27.2M

In Charity and Uncompensated Care in 2018

42

340B DSH Hospitals currently active in Kentucky

DSH %

Edgewood - 15.62%
Florence - 16.28%
Ft. Thomas - 18.26%

The 340B Impact in Our Community:

St. Elizabeth Healthcare's 340B Portfolio includes three DSH facilities (Edgewood, Florence, and Ft. Thomas), one CAH facility (Grant County), one Entity-Owned Retail Pharmacy (Medical Village Pharmacy), and five Contract Pharmacy arrangements (Diplomat, Avella, Briova, Kroger Specialty FL, and Kroger Specialty LA) to provide the population of Kentucky, Indiana, and Ohio with the healthcare resources needed.

Below are a few programs that would be potentially affected if not for the growing positive impact of the 340B program:

1. Community Health Improvement (resulted in \$1,208,411 in 2018)
2. Health Professional Education (resulted in \$4,799,959 in 2018)
3. Subsidized Health Services (resulted in \$4,814,924 in 2018)
4. Community Building Activities (resulted in \$3,539,711 in 2018)
5. Cash and In-Kind Contribution (resulted in \$14,766,296 in 2018)

Vylinda Howard, PharmD
Director of Pharmacy

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Highlands Regional Medical Center

Our Mission:

Highlands Health System is a not-for-profit community healthcare entity committed to its charitable mission of serving individuals regardless of their ability to pay. Highlands, in partnership with our medical staff, employees and other community resources will develop a healthier community by providing a safe hospital environment, health education, and the promotion of wellness.

Our Vision:

Serve the communities of the Big Sandy Region

Delivers superior quality, services and access

Aligns with its physicians for mutual success

Continually improves and strives for excellence

Highlands Regional Medical Center

340B Steering Committee

- **Objective:** To ensure compliance and integrity of Highlands Regional Medical Center's 340B program.

Required Member of the Committee:

- COO, CFO, CIO
- CEO, Authorizing Official
- Director of Pharmacy

Optional Members

- Pharmacy Buyer/Secretary
- Pharmacy Clinical Manager/Informatics
- Vice President of Physician Services

340B in Action:

Highlands Regional Medical Center
Prestonsburg, KY

The 340B Drug Pricing Program helps Highlands Regional Medical Center stretch scarce resources and aids in the delivery of high quality health care services to our vulnerable patient population in Eastern KY. Our patient population includes low-income, uninsured, and underinsured, as well as patients living in rural communities. We provide comprehensive medical services to all patients, including inpatient, surgical and outpatient services such as Emergency Care, After Hours Care, Oncology Services, Infusion Services, Urology Services, and Orthopedic Services, as well as Internal Medicine/Family Practice Services. The 340B Program has allowed HRMC to expand access to care, assist with expensive copays, and continue to provide medications free of cost to some patients.

340B by the Numbers

\$7,200,000+

Uncompensated care provided in FY18

23.45%

Approximate DSH Percentage in FY18

\$2,000,000+

Approximate annual 340B savings

\$322,000+

Patient medication assistance provided



Our 340B Story

Highlands Regional Medical Center is a not-for-profit community medical center committed to its charitable mission of serving individuals regardless of their ability to pay. 340B allows us to accomplish our mission. HRMC is a disproportionate share, 184-bed hospital. We service primarily a four county area (Floyd, Johnson, Martin, and Magoffin).

We Use 340B Savings to Support

- Our four after hours/extended care locations: serving over 80,000 patients since 2012
- Improving patient care outcomes through receiving Chest Pain Accreditation (Sept 2013) and Primary Stroke Center Designation (Nov 2015)
- Providing Health Fairs with Education and/or Free Screening to our community (1,000+ in 2017 and 2018)
- Free Sport Physicals (over 1,500+ since 2011)
- Approximately 3,500+ free flu vaccines to our community areas since 2011
- Assessed 400+ athletes in the free Black and Blue Clinic
- Establishment of an inclusive Hepatitis C Clinic and Chronic Care Management
- Increased retail pharmacy hours and implementation of MedsToBeds Program
- Expanded services offered to our patients including Orthopedics, Urology, Interventional Cardiovascular, Internal Medicine, Psychiatric & Oncology
- Our Patient Assistance Program to increase access to much needed medications. Without this program patients of our communities and surrounding communities would go untreated.

Panel Discussion

Audience Q&A

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