



**PARTNERSHIP HEALTHPLAN OF CALIFORNIA
340B ADVISORY COMMITTEE ~ MEETING NOTICE**

Members: C. Dean Germano (Chair)
Viola Lujan
Kathryn Powell
Amir Khoyi, PharmD
Daniel Santi

PHC Staff:	Elizabeth Gibboney, CEO	Patti McFarland, CFO
	Sonja Bjork COO	Robert L. Moore, MD, MPH, MBA, CMO
	Wendi West, Northern Executive Director	Amy Turnipseed, Senior Director of External and
	Michelle Rollins, Director of Legal Affairs	Regulatory Affairs
	Stan Leung, PharmD, Director of Pharmacy Services	Edward Hightower, CPhT, Associate Director of
	Dawn R. Cook, Pharmacy Services Program Manager	Pharmacy Operations

FROM: Dawn R. Cook
DATE: March 18, 2020

SUBJECT: 340B ADVISORY COMMITTEE MEETING FOR 2020

The 340B Advisory Committee will meet as follows and will continue to meet biannually. Please review the Meeting Agenda and attached packet, as discussion time is limited.

DATE: Monday, March 23, 2020 **TIME: 1:00 p.m. – 2:25 p.m.**

LOCATIONS: Video Conferencing and/or Conference Call

Partnership HealthPlan of CA Napa/Solano Conference Rooms 4665 Business Center Drive Fairfield, CA 94534 <i>*Please park in front of the building. *Ask the receptionist to call Dawn R. Cook or Maricruz Rosales</i>	PHC Redding Office Trinity Alps Conference Room 2525 Airpark Drive Redding, CA 96001 <i>*Ask for Atim p'Oyat</i>
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Please contact Dawn R. Cook at (707) 419-7979 or e-mail 340BQIP@partnershiphp.org if you are unable to attend.

**REGULAR MEETING OF
PARTNERSHIP HEALTHPLAN OF CALIFORNIA'S
340B ADVISORY COMMITTEE - MEETING AGENDA**

Date: March 23, 2020 Time: 1:00 p.m. – 2:25 p.m. Location: PHC

<i>Welcome / Introductions</i>				
	<i>Topic</i>	<i>Lead</i>	<i>Page #</i>	<i>Time</i>
I.	Public Comments	Speaker	N/A	1:00 pm
II.	Opening Comments	Chair	N/A	1:05 pm
III.	Approval of Minutes	Chair	3 - 8	1:10 pm
IV.	Standing Agenda Items			
1.	Partnership HealthPlan of California (PHC) 340B Compliance Program Update	Dawn R. Cook	11 - 15	1:15 pm
V.	Old Business			
1.	340B Compliance Program Agreement and DHCS	Dawn R. Cook	16	1:25 pm
2.	Governor's Executive Order	Dawn R. Cook	17-18	1:35 pm
VI.	New Business			
1.	N/A	N/A	N/A	N/A
VII.	Additional Items			
1.	N/A	N/A	N/A	N/A
VIII.	Adjournment			



PARTNERSHIP HEALTHPLAN OF CALIFORNIA (PHC)

Minutes of the Meeting

PHC 340B Advisory Committee held at PHC Fairfield Office

4665 Business Center Drive, Fairfield, California 94534

Napa/Solano Room

September 25, 2019 – 10:00 a.m. to 11:25 a.m.

Commissioners Present / via Teleconference (TC):

C. Dean Germano (Chair); Viola Lujan; Daniel Santi; Amir Khoyi, PharmD; Kathryn Powell

Staff Present:

Robert Moore, MD, MPH, MBA, CMO; Patti McFarland, CFO; Stan Leung, PharmD; Tony Hightower, CPhT; and Dawn R. Cook

PUBLIC COMMENTS

None presented.

WELCOME/INTRODUCTION

Brief introductions were made.

AGENDA ITEM I – OPENING COMMENTS

Mr. Germano stated there was a lot going in the 340B space, as the committee was aware, some of which would be address later in the meeting.

AGENDA ITEM II – APPROVAL OF MINUTES

The minutes from the 340B Advisory Committee Meetings on 4/18/19 were approved. There were no committee members who opposed or abstained.

AGENDA ITEM III – STANDING AGENDA ITEMS

PHC 340B Compliance Program Update

340B Compliance Program Update:

Ms. Cook noted that as of 9/19/19, there were 342 340B Covered Sites/IDs within PHC's 14 county service area that were eligible to participate in the 340B Program, of which 150 were hospitals. Those 342 340B Covered Sites/IDs would equate to 79 340B Compliance Program if all were participating in PHC's 340B Compliance Program.

PHC had 29 executed 340B Compliance Program Agreements, which covered 166 active 340B Sites/IDs, of which 44 Sites/IDs were hospitals. At that point in time, about 49 percent of active 340B Covered Sites/IDs in PHC's 14 county service area were participating in PHC's 340B Compliance Program

Ms. Cook noted that as of 10/1/19, there would be 328 340B Covered Sites/IDs within PHC's 14 county service area that were eligible to participate in the 340B Program, of which 148 would be hospitals. PHC would still have 29 executed 340B Compliance Program Agreements, which would cover 162 active 340B Sites/IDs, of which 43 Sites/IDs would be hospitals.

In response to a question from Mr. Germano, Ms. Cook explained the difference between 340B Covered Entities and IDs versus entities in general. Ms. Cook explained that 340B ID numbers can be assigned to a one location for a Health Center group, a single clinic, or even just a department in an eligible hospital. An organization like Shasta Community Health Centers is a providing entity, but with regard to 340B, they have eight (8) separate 340B ID numbers. Mr. Germano asked if 340B Covered Entities could participate without signing PHC's 340B Compliance Program Agreement. Ms. Cook stated yes, as it was a federal program. If an entity was eligible to participate in 340B per HRSA, then they can participate in the State of California without joining PHC's program. Those 340B Covered Entities were still held accountable for helping to prevent the duplicate discount if they were using 340B drugs. However, with regard to the reclassification services through 340BX Clearinghouse, they must have an executed 340B Compliance Program Agreement with PHC to use those services. All 340B Covered Entities had the ability to identify all their Physician-Administered Drug (PAD) claims as 340B because that was done in-house through their Accounting or Finance teams and the use of the UD modifier.

The committee discussed the number of providers in PHC's network that participated in the 340B Compliance Program. Ms. Cook stated the percentage of providers would be skewed by individual practitioners. In response to a question from Ms. Lujan, Ms. Cook noted it may be less than half of the providers in PHC's network. Mr. Germano asked about hospitals in the program and that participation rate. Ms. Cook clarified the difference between her reference to the number of 340B Compliance Program Agreements PHC would have versus the number of individual 340B Covered Entities/IDs.

PHC had previously been in discussions with three (3) organizations regarding on-boarding to PHC's 340B Compliance Program. One (1) organization, Jerold Phelps Community Hospital, had put plans on hold, but would contact PHC after the start of 2020. PHC was still waiting on input from the other two (2) organizations. With the addition of those two (2) organizations, there would be five (5) additional executed 340B Compliance Program Agreements, which covered 36 active 340B Sites/IDs, of which 33 Sites/IDs were hospitals. If all five (5) agreements were executed for October 1, 2019, PHC would have 34 executed Compliance Program Agreements, covering 198 active 340B Sites/IDs, of which 76 sites/IDs would be hospitals. Ms. Cook had just been in contact with Community Medical Centers, who had three (3) 340B IDs/Sites in PHC's 14 county service area, with the majority of their 340B IDs/sites falling outside of PHC's 14 county service area.

Ms. Cook informed the committee that on-boarding to the 340B Compliance Program had slowed. At this point, PHC had not decided how to move forward, as far as actively seeking or providing outreach to new organizations because they were waiting to get all current participants switched to the new agreement and receive more information regarding the Governor's Executive Order.

Claims/Financial Summary:

Ms. Cook reviewed the claims and financial information regarding the quarter from 4/1/19 to 6/30/19.

For the 4/1/19 to 6/30/19 quarter, there were 6,716 340B Paid Matched Claims, 9,572 Walgreens 340B Paid Match Claims, 6,110 SunRx Paid Match Claims for Ole Health, and 4,081 Wellpartner 340B Paid Match Claims for the quarter, for a total of 26,479 Matched Claims for the quarter. Those claims only reflect claims for those 340B Covered Entities that participate in PHC's 340B Compliance Program and have claims reclassified by 340BX Clearinghouse. That claim total did not include the claims processed by pharmacies that did point-of-sale (POS) flagging, and it didn't include Physician-Administered Drug (PAD) claims.

The Total 340B Compliance Fees were \$72,817.25. Of that total, \$66,197.50 were 340BX Compliance Fees and \$6,619.75 were PHC 340B Compliance Fees.

In response to a question from Mr. Germano regarding the small number of claims listed for Santa Rosa Community Health Centers (SRCHC), Ms. Cook noted SRCHC and several other 340B Covered Entities participating in PHC's 340B Compliance Program use pharmacies that were able to identify claims as being for 340B drugs at the point-of-sale (POS). As such, not all pharmacy claims were reclassified by 340BX Clearinghouse, though sometimes the claims from POS pharmacies have to be corrected, which required a request. Mr. Santi asked how many pharmacies do 340B identification at POS. Ms. Cook indicated there were at least seven (7) or eight (8), but there may have been more. Ms. Cook noted she received a report of all the pharmacies that submit claims for PHC members already including the 340B identifier, so she knew those pharmacies were actively adding that identifier to their claims every month. Ms. Cook clarified that the pharmacies in question were registered

as Contract Pharmacies and open to the public. The 340B Covered Entities in question, the ones that use the pharmacies that identify drugs as 340B at POS, do sign PHC's 340B Compliance Program Agreement. By signing the 340B Compliance Program Agreement, the 340B Covered Entity could use the services of 340BX Clearinghouse should there be any issues with the claims from pharmacies that identify drugs as 340B at POS, as well as for any other pharmacies with whom they contract that do not identify drugs as 340B at POS. Many participating 340B Covered Entities used a combination of pharmacies.

Mr. Santi had a question about a significant decrease in the number of claims that were reclassified. Ms. Cook stated that in September 2019, all the 340B Participating Entities that submitted claims to 340BX Clearinghouse received their invoices for May 2019. She explained that when PHC submitted claims to the State, they must wait for a response from the State, which include an assigned ID number. Unfortunately, there had been months when there was a delay in PHC receiving the needed responses from the State, so that the files needed from PHC for reclassification by 340BX Clearinghouse were not available in a timely manner. That type of delay was what occurred with the May 2019 claims, so those claims got pushed off to the next month. Ms. Cook indicated that as such, the 340B Covered Entities participating in the program that submit claims for reclassification by 340BX Clearinghouse would see a much larger number of claims on the next month's invoice.

As a reminder, Ms. Cook noted the slides reflect only pharmacy claims and do not include Physician-Administered Drug (PAD) claims. She indicated that they had been working on a report that would hopefully provide the PAD claim counts for use of the UD modifier, a 340B identifier. Mr. Santi asked if PHC contacted 340B Covered Entities if it appeared they were not using the UD modifier. Ms. Cook noted there was one specific case addressed in the past. At that point, PHC was moving towards more review of PAD claims. Mr. Santi asked if there was a mechanism for a 340B Covered Entity to notify PHC if it decided to stop using 340B drugs for its PAD claims. Per Ms. Cook, there was no official mechanism, so e-mail was accepted.

AGENDA ITEM IV – OLD BUSINESS

There was no old business to discuss.

AGENDA ITEM V – NEW BUSINESS

340B Compliance Program Agreement and DHCS:

As outlined in the 340B Advisory Committee Update Letter for June 2019, PHC submitted the updated 340B Compliance Program Agreement to DHCS for review and approval on April 25, 2019.

On June 25, 2019, PHC received a response from Paul Nguyen, PharmD, MBA, Pharmaceutical Consultant II, for the Pharmacy Operations Branch at DHCS. Dr. Nguyen provided "findings" from his review and requested a response no later than close of business (COB) on July 2, 2019.

After internal discussions, on June 28, 2019, PHC requested a 60-day extension in order to submit a draft of the updated 340B Compliance Program Policy and compile the data element list requested in the "findings."

On July 3, 2019, Dr. Nguyen indicated that PHC was granted the 60-day extension and submission of requested information would be due by close of business (COB) on September 5, 2019.

On September 5, 2019, PHC submitted the draft of the updated 340B Compliance Program Policy, as well as the list of Contract Pharmacies which included all data fields requested by DHCS which were available to the public.

On September 12, 2019, Dr. Nguyen spoke with Stan Leung, PharmD, Director of Pharmacy Services at PHC. Per that call and a follow-up e-mail outlining that call, Dr. Nguyen indicated DHCS required additional information. PHC was asked to provide the physical location/address for all contracted pharmacies and their associated covered entities within PHC's network, as well as, the contract pharmacy inventory type (virtual or physical). Dr. Nguyen indicated PHC should inform DHCS as to how much time will be needed to gather the additional information.

PHC had requested additional time from DHCS to complete their request. PHC requested 120 days of additional time and that was granted. PHC must submit an updated list of Contract Pharmacy information before January 10, 2020.

Ms. Cook noted the State had requested that PHC ensure that somewhere in the documents it was made clear that the 340B Compliance Program included all 340B Covered Entities in California, as they should be complying with all guidelines set out by HRSA. With regard to the Contract Pharmacy list, they asked PHC to submit information regarding any Contract Pharmacy serving a provider in its network using 340B including NPI numbers, Contract Pharmacy name, 340B Covered Entity name, the Contract Pharmacy contact name, the pharmacy phone number, and the inventory type (physical versus virtual). Most of the information had been collected with the exception of the inventory type. Collecting the inventory type information would be more time consuming. Dr. Leung had started to do outreach to his contacts at the bigger pharmacy chains. Ms. Cook

contacted 340BX Clearinghouse regarding whether or not they, in working with CaptureRx, would be able to help collect additional information for the smaller pharmacies versus doing outreach via phone or e-mail. As outreach by phone or e-mail might be required, PHC asked for the 120 days to complete the request.

In response to the committee's questions regarding the intent of the information collection, Dr. Moore stated he thought they might be gathering addresses in order to mail something information out on a specific date once next steps were decided regarding the carve-out noted in the Governor's Executive Order (GEO). Mr. Santi noted most of the information requested was on the 340B Office of Pharmacy Affairs Information System (OPAIS) website. Ms. Cook stated the additional request asked for details not available online to the public.

Ms. Cook stated that when PHC updated the 340B Compliance Program Policy, which would be shared with the 340B Advisory Committee, it made reference back to HRSA and how 340B Covered Entities should be meeting the requirements as laid out by HRSA for preventing duplicate discounts and reporting changes (that was one of the questions from HRSA, when there are changes to the program, how are those things communicated). The 340B Covered Entities had to contact HRSA to provide those updates because all information should be updated on the 340B OPAIS website.

Dr. Moore asked Dr. Leung asked if DHCS asked for any further changes to the policy in the next 120 days. Dr. Leung said no. The only request that affected the policy was the language regarding all 340B Covered Entities in PHC's 14 county service area having to meet the HRSA requirements for participation, even if the 340B Covered Entity had not signed PHC's 340B Compliance Program Agreement. Dr. Leung had spoken with Paul Nguyen PharmD, a pharmacy consultant for DHCS, and informed him that some of the requested information was not publicly available and might be a challenge for us to obtain. Dr. Nguyen informed PHC that the information was needed.

Dr. Leung stated the policy outlined the requirements for any 340B Covered Entity using 340B drugs to have a system in place to prevent duplicate discounts, as well as the fact that PHC had a program to assist in the reclassification if the 340B Covered Entity needed such services. Ms. Cook clarified that the policy was the 340B Compliance Program policy, and that PHC's 340B Compliance Program was tied specifically to our 340B Compliance Program Agreement. The policy was updated with some language added that indicated all 340B Covered Entities had to abide by all requirements outlined by HRSA. However, most of the policy was related to participation in PHC's 340B Compliance Program. Mr. Hightower indicated the policy differentiated between 340B Covered Entities and the 340B Participating Entities, and Ms. Cook noted those definitions were in the policy and the agreement. Dr. Moore stated there was no reason to hold the policy for six (6) months. Mr. Hightower indicated the policy was on track to be submitted to the November 2019 Internal Quality Improvement (IQI) meeting and for approval by the Physician's Advisory Committee (PAC) in February 2020. Ms. Cook noted that although PHC had requested 120 days to complete the task set forth by DHCS, she hoped to submit it to DHCS by the end of November or early December.

Dr. Moore noted this had been the most input PHC had received from the State regarding PHC's 340B Compliance Program, which was a pretty tacit indication that that program was acceptable. Mr. Germano felt the message for PHC was that their 340B Compliance Program was meeting whatever expectations the State had, so PHC could take some comfort in knowing that.

Governor's Executive Order:

On January 7, 2019, Governor Gavin Newsom issued an Executive Order (N-01-19) ordering that DHCS take all necessary steps to transition all pharmacy services from Medi-Cal Managed Care to a Fee-For Service (FFS) benefit by January 2021 in order to create significant negotiating leverage on behalf of over 13 million Californians and generate substantial annual savings.

The DHCS was to complete a review of all State purchasing initiatives and consider additional options to maximize the State's bargaining power, including the Medi-Cal program by July 12, 2019.

On August 22, 2019, DHCS released the Request for Proposal (RFP) #19-96125 Medi-Cal Rx in response to Executive Order N-01-19. https://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/CSBmcRxHome.aspx. The RFP solicited proposals for the takeover, operation and eventual turnover of the administration of the Medi-Cal FFS pharmacy services from firms that would be able to provide administrative services for managing the FFS pharmacy benefit to Medi-Cal beneficiaries. DHCS intends to make a single contract award for Medi-Cal Rx services to the most responsive and responsible firm earning the highest score. RFP #19-96125 included a time schedule for the various stages of the process.

- Proposal Due Date: October 1, 2019
- Notice of Intent to Award Posted: November 7, 2019
- Appeal Deadline: November 15, 2019
- Contract Award Date: November 18, 2019
- Proposed Start Date Agreement: November 18, 2019 or when approved by DHCS, whichever is later

The committee discussed the very short time line for this process. In response to a question from Ms. Lujan regarding what would happen from November 2019 to January 2021, Ms. Cook stated whomever was chosen would use that time for setting up the steps, timeline, and everything required to make the switchover happen by January 1, 2021. Dr. Moore stated it looked like a lot of time, but there was a huge amount to do in that year. Mr. Germano noted there would be a public hearing the next day, September 26th, and Dr. Moore stated that Dr. Leung would be representing PHC. Dr. Moore stated PHC was preparing a statement focused on our Managing Pain Safely (MPS) Program. PHC would outline what they found worked for the MPS Program, which the State might have difficulty replicating. Legislative approval would likely be needed to have formulary limitations, as they would not be able to arbitrarily do those limitations at the DHCS level. Legislative approval would likely be sought to do the kind of formulary restrictions that PHC did in order to be successful with the MPS Program, and that would be a barrier. There would be a lot of insurmountable barriers to having a successful MPS Program without damage.

Mr. Germano and Dr. Moore discussed how the State's formulary would likely be every drug. Dr. Leung noted the State currently worked through a contracted drug list so any FDA-approved drug might be considered a benefit, though there may be some with restrictions. Basically, the way the State operated was a little bit different because they technically don't have a formulary. Dr. Leung noted it would be interesting to see, as the implementation started, how the chosen vendor would develop a P&T committee, a formulary, and a Utilization Management (UM) program. The State did have a formulary for some of their smaller departments. For drugs dispensed at the smaller departments in-house, they were processed through a processor, but when it was outside, they used a PBM to process those claims. The vendor and the State might consider expanding the model they currently had for the entire Medicaid population. Mr. Germano stated he did not see how there would be any savings seen unless the factors Dr. Leung discussed were established. He felt the drug companies would likely make a push to try and get their drugs into the formulary.

Mr. Germano stated California Primary Care Association (CPCA) completed an analysis (not as thorough as he would like) throughout the state of the Community Health Centers (CHCs) to come up with an estimate of the possible financial impact the forthcoming carve-out would have. The estimate was approximately \$150 million for the whole state. The Governor and the Health and Human Services (HHS) Director had expressed that they did not want to hurt the CHCs, so they were in an early negotiation process as to how they could shield the CHCs from major economic loss. Mr. Santi was chairing the Peer Network Committee. Mr. Germano was selected as one of five or so chosen to be part of the Solutions Committee, which was basically a negotiating group that would eventually meet with the State to discuss issues the carve-out which would be happening. The Solutions Committee hoped to limit the impact to the CHCs financially, if that was possible. One concern was the fact that some CHCs were not using 340B for their Managed Care, as they would not be as impacted as those CHCs that did.

Mr. Germano saw that PHC would have issues tied to utilization control and being able to manage patients, especially those with complex medical needs, as effectively as possible. Dr. Leung stated he had attended a meeting of the Managed Care/Fee-For-Service Regulation Review Board that met quarterly. That board was made up of some practitioners and physicians, as well as some managed care pharmacy directors. That board's concern was siloing out a part of a benefit for a member that could disrupt care and really did a disservice to whole patient care. A reoccurring comment by attendees had been that when you take away the prior authorization process, you really take away some of a Health Plan's ability to oversee financial stewardship, get a good picture of a patient's complete clinical therapy, and help providers to foster and create best practices. The consideration PHC put forth to DHCS, in terms of when the transition is implemented, was to understand that the prior authorization process was not just a process for authorizing non-formulary drugs, but it was a clinical component for whole person care.

Ms. Cook stated it remained to be seen how the GEO would change the look of the 340B Compliance Program for PHC or if it would still exist.

AGENDA ITEM VI – ADDITIONAL ITEMS

Additional comments:

Ms. Cook noted an update letter would be sent out for December 2019. She would be working on scheduling the two (2) 340B Advisory Committee Meetings for 2020 in the next month, one in March 2020 and one in September 2020.

Ms. Lujan thanked Mr. Germano for being on the Solutions Committee, as she knew he would represent the CHCs' perspectives and interests really well. In response to a question from Ms. Lujan regarding information needed by the Solutions Committee, Mr. Germano stated there were likely holes in the data they had received from CHCs across the state. He stated there was a survey that had gone out at the request of the State of California that they were promoting to all the CHCs in the state that went into a little more detail. Mr. Germano noted one of the stress points was the financial impact on 340B Covered Entities using 340B versus entities that chose not to participate. He noted the Solutions Committee wanted to make sure there was a fallback provision should the new program go belly-up and go back to prior program, perhaps using the PHC agreement as the model agreement across the state. Dr. Moore asked if CPCA was going to ask the CHCs to send what they sent to the State to them so they can independently analyze it. Mr. Santi stated the request had been to send the information directly to DHCS,

and he didn't think CPCA was asking for each CHC to submit it to them as well. Mr. Germano stated he thought the plan was for DHCS to share the files with CPCA. Mr. Germano noted all the data shared would not be used against the CHCs in any kind of an audit, as the uses of the money were part of the information collected.

Documents:

No documents were shared.

AGENDA ITEM V1I – ADJOURNMENT

Meeting Adjourned: 11:20 a.m.

Respectfully submitted: Dawn R. Cook

The foregoing minutes were APPROVED AS PRESENTED on:

C. Dean Germano, Committee Chairman

Date

The foregoing minutes were APPROVED WITH MODIFICATION on:

C. Dean Germano, Committee Chairman

Date




PARTNERSHIP HEALTHPLAN OF CALIFORNIA

PHC 340B Advisory Committee Meeting

3-23-20

Agenda

- 
- 340B Compliance Program Update

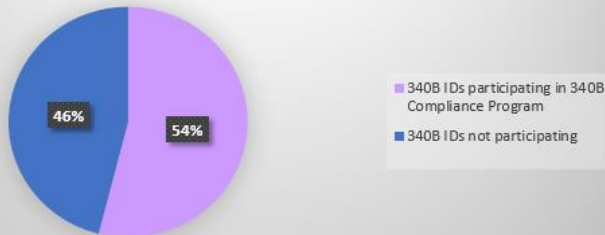
- 
- 340B Compliance Program Agreement and DHCS

- 
- Governor's Executive Order

340B Compliance Program Update

- As of 3/18/20, there are 365 340B IDs/sites (182 of which are tied to hospitals) in PHC's 14 county service area, which are eligible to participate in the 340B Program. The 365 340B IDs/sites would equate to 80 340B Compliance Program Agreements (of which 28 agreements would be tied to the 182 hospital IDs/sites).
- As of 3/18/20, there are 29 active 340B Compliance Program Agreements, so 29 340B Participating Entities. Those 29 active 340B Compliance Program Agreements cover 197 340B IDs/sites (of which 5 agreements would be tied to the 76 hospital IDs/sites).

340B Compliance Program - Participation by 340B IDs (all types) in our 14 county service area



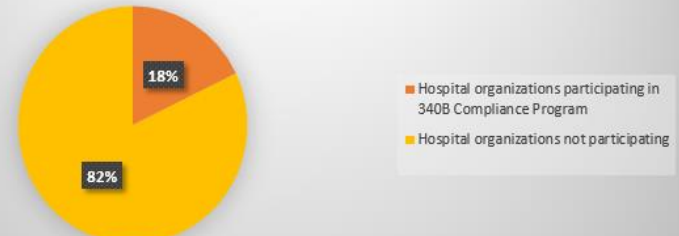
340B Compliance Program - Participation by Hospital 340B IDs in our 14 county service area



340B Compliance Program - Participation by organization (number of agreements we would have) in our 14 county service area



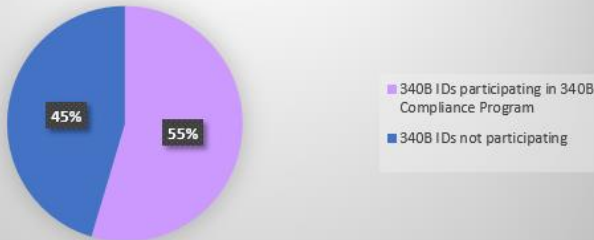
340B Compliance Program - Participation by Hospital organizations (number of agreements we would have) in our 14 county service area



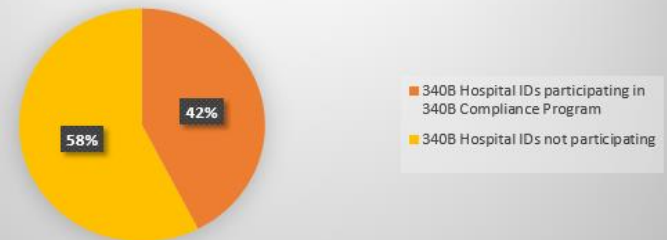
340B Compliance Program Update

- As of 4/1/20, there will be 359 340B IDs/sites (179 of which will be tied to hospitals) in PHC's 14 county service area, which will be eligible to participate in the 340B Program. The 359 340B IDs/sites would equate to 80 340B Compliance Program Agreement (of which 28 agreements would be tied to the 179 hospitals IDs/sites).
- As of 4/1/20, there will still be 29 active 340B Compliance Program Agreements, so 29 340B Participating Entities. Those 29 active 340B Compliance Program Agreements will cover 196 340B IDs/sites (of which 5 agreements would be tied to the 76 hospital IDs/sites).

340B Compliance Program - Participation by 340B IDs (all types) in our 14 county service area



340B Compliance Program - Participation by Hospital 340B IDs in our 14 county service area



340B Compliance Program - Participation by organization (number of agreements we would have) in our 14 county service area



340B Compliance Program - Participation by Hospital organizations (number of agreements we would have) in our 14 county service area



340B Compliance Program Update (cont'd)

- There are currently no new 340B Compliance Program Agreements in process or being reviewed.
- In mid-December 2019, Ms. Cook contacted Jerold Phelps Community Hospital, as they were interested in the 340B Compliance Program, but wanted to wait to make a decision for the new year. Jerold Phelps Community Hospital wanted to reconsider participation in the 340B Compliance Program for 2020. To date, Ms. Cook has not received any response.
- Additional information tied to the Governor's Executive Order (N-01-19) will help determine the future of PHC's 340B Compliance Program.

Claims/Financial Summary

Claims/Financial summary for 10/1/19 to 12/31/19

10/1/19 to 12/31/19											
Entity	340B Paid Match Claim Count	340B Reversal Claim Count	Walgreens 340B Paid Match Claim Count	Walgreens 340B Reversal Match Claim Count	Wellpartner 340B Paid Match Claim Count	Wellpartner 340B Reversal Match Claim Count	SunRx 340B Paid Match Claim Count	SunRx 340B Paid Reversal Claim Count	340BX Compliance Fee	PHC 340B Compliance Fee	Total 340B Compliance Fees
Alliance Medical Center	40	0	47	1	0	0	0	0	\$ 217.50	\$ 21.75	\$ 239.25
CommuniCare Health Centers	315	0	222	2	0	0	0	0	\$ 1,342.50	\$ 134.25	\$ 1,476.75
Fairchild Medical Center	304	3	0	0	0	0	0	0	\$ 760.00	\$ 76.00	\$ 836.00
Hill Country Community Clinic	108	3	0	0	0	0	0	0	\$ 270.00	\$ 27.00	\$ 297.00
La Clinica De La Raza	0	0	2,327	21	0	0	0	0	\$ 5,817.50	\$ 581.75	\$ 6,399.25
Lake County Tribal Health Consortium, Inc.	422	0	0	0	0	0	0	0	\$ 1,055.00	\$ 105.50	\$ 1,160.50
Long Valley Health Center	32	0	0	0	0	0	0	0	\$ 80.00	\$ 8.00	\$ 88.00
Marin Community Clinic Inc.	757	14	912	0	0	0	0	0	\$ 4,172.50	\$ 417.25	\$ 4,589.75
McCloud Healthcare Clinic	65	1	0	0	0	0	0	0	\$ 162.50	\$ 16.25	\$ 178.75
Mendocino Coast Clinics, Inc.	239	3	0	0	0	0	0	0	\$ 597.50	\$ 59.75	\$ 657.25
Mendocino Coast District Hospital	93	0	0	0	0	0	0	0	\$ 232.50	\$ 23.25	\$ 255.75
Mendocino Community Health Clinics, Inc.	639	4	402	3	0	0	0	0	\$ 2,602.50	\$ 260.25	\$ 2,862.75
Mountain Valleys Health Centers, Inc.	127	0	0	0	0	0	0	0	\$ 317.50	\$ 31.75	\$ 349.25
NorthBay Healthcare Group	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ 4,548.50
Northeastern Rural Health Clinics, Inc.	5	0	0	0	0	0	0	0	\$ 12.50	\$ 1.25	\$ 13.75
Ole Health	0	0	0	0	0	0	7,195	130	\$ 17,987.50	\$ 1,798.75	\$ 19,786.25
Open Door Community Health Centers	0	0	4,737	29	4,955	72	0	0	\$ 24,230.00	\$ 2,423.00	\$ 26,653.00
Redwoods Rural Health Center	104	1	0	0	0	0	0	0	\$ 260.00	\$ 26.00	\$ 286.00
Shasta Community Health Centers	986	7	3,045	15	30	1	0	0	\$ 10,150.00	\$ 1,015.00	\$ 11,165.00
Shingletown Medical Center	9	0	44	0	0	0	0	0	\$ 132.50	\$ 13.25	\$ 145.75
Sonoma Valley Community Health Center	86	0	0	0	0	0	0	0	\$ 215.00	\$ 21.50	\$ 236.50
Winters Healthcare Foundation	63	0	0	0	0	0	0	0	\$ 157.50	\$ 15.75	\$ 173.25
QUARTER TOTALS:	4,394	36	12,562	75	5,813	86	7,195	130	\$ 74,907.50	\$ 7,490.75	\$ 82,398.25
TOTAL 340B CLAIMS RECLASSIFIED BY 340BX CLEARINGHOUSE THIS QUARTER:									29,964		

Claims/Financial Summary (cont'd)

Claims/Financial summary for 10/1/19 to 12/31/19

Month	CRX 340B Paid Match Claim Count	CRX 340B Reversal Claim Count	Walgreens 340B Paid Match Claim Count	Walgreens 340B Reversal Match Claim Count	Wellpartner 340B Paid Match Claim Count	Wellpartner 340B Reversal Match Claim Count	SunRx 340B Paid Match Claim Count	SunRx 340B Paid Reversal Claim Count	340BX Compliance Fee	PHC 340B Compliance Fee	Total 340B Compliance Fees
October-19	1,469	11	3,042	23	1,737	24	500	67	\$16,870.00	\$1,687.00	\$18,557.00
November-19	1,470	10	4,066	26	1,368	27	2,011	2	\$22,287.50	\$2,228.75	\$24,516.25
December-19	1455	15	5454	26	2708	35	4684	61	\$35,750.00	\$3,575.00	\$39,325.00
TOTAL:	4,394	36	12,562	75	5,813	86	7,195	130	\$74,907.50	\$ 7,490.75	\$ 82,398.25

TOTAL 340B CLAIMS RECLASSIFIED BY 340BX CLEARINGHOUSE THIS QUARTER:

29,964

340B Compliance Program Agreement and DHCS

- As outlined in the 340B Advisory Committee Update Letter for December 2019, PHC submitted the updated 340B Compliance Program Agreement to DHCS for review and approval on April 25, 2019. PHC requested additional time from DHCS to complete their request.
- On September 20, 2019, PHC was granted a 120-day extension to complete the request, which made the due date approximately January 17, 2020. PHC submitted the information requested by DHCS on December 20, 2019.
- On December 24, 2019, Dr. Nguyen e-mailed Dr. Leung indicating his team had completed review of PHC's policy and procedures and found them to be in compliance with 42 U.S. Code § 256b and the requirements in the proposed 340B All Plan Letter (APL). PHC could anticipate receipt of a formal approval from its Contract Manager.
 - To date, PHC has not received the formal approval.
- The updated 340B Compliance Program Agreement and 340B Compliance Program Policy were reviewed and approved by all required committees at PHC.
 - Internal Quality Improvement (IQI) Committee – November 2019
 - Pharmacy & Therapeutics (P&T) Committee – January 2020
 - Physician Advisory Committee – February 2020

Governor's Executive Order

- On January 7, 2019, Governor Gavin Newsom issued an Executive Order (N-01-19) ordering that DHCS take all necessary steps to transition all pharmacy services from Medi-Cal Managed Care to a Fee-For Service (FFS) benefit by January 2021 in order to create significant negotiating leverage on behalf of over 13 million Californians and generate substantial annual savings.
- On November 7, 2019, a Notice of Intent to Award (NOIA) was released. Per that NOIA, DHCS announced its intent to award the contract to Magellan Medicaid Administration, Inc., based in San Diego, CA. The last day to appeal the award was November 15, 2019 by 4:00 PM PST.
- On December 12, 2019, the contract was officially awarded to Magellan Medicaid Administration, Inc.
- PHC is waiting on formal documentation outlining what its responsibilities will be following the go live date for the carve-out of the pharmacy benefit (still set for January 1, 2021).

Governor's Executive Order (cont'd)

- Per DHCS, they are proposing a new supplemental payment pool of \$105 million Total Fund (TF) (\$52.5 million GF) annually for non-hospital 340B clinics as part of the Budget. This program would become effective with the Medi-Cal Pharmacy transition of January 1, 2021.
- The \$105 million is an aggregate total based on the self-reported data collected from non-hospital 340B clinics (based on Revenue – Total Reported Expenses).

340B Advisory Committee Schedule

2020

- **Meetings:**
 - September 22, 2020 from 10:00 AM to 11:25 AM



Questions?



Thank You