



PARTNERSHIP HEALTHPLAN OF CALIFORNIA

PHC 340B Advisory Committee Meeting

3-15-19

Agenda

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- 340B Compliance Program Update

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- Walgreens and submission of 340B claims data

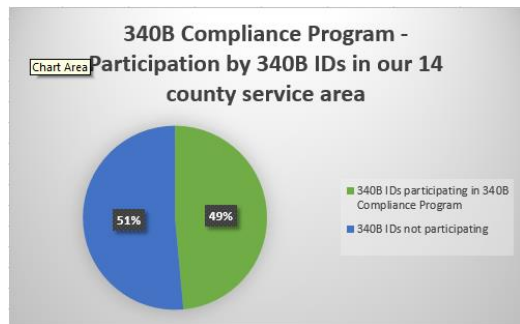
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- 340B Program in California

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- 340B Retro Reclassification Process

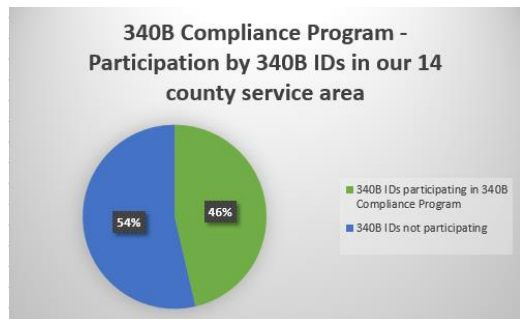
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- 340B Compliance Program Agreement

340B Compliance Program Update

- As of 3/7/19, there were 342 active 340B Sites/IDs within PHC's 14 county service area, 143 of which were hospitals. There were 27 executed 340B Compliance Program Agreements covering 166 active 340B Sites/IDs, 42 of which are hospitals.



- As of 4/1/19, there will be 333 active 340B Sites/IDs within PHC's 14 county service area, 143 of which were hospitals. There were 27 executed 340B Compliance Program Agreements covering 159 active 340B Sites/IDs, 42 of which are hospitals.



340B Compliance Program Update (cont'd)

- No additional 340B Covered Entities have been invited to join the 340B Compliance Program.
- As of 3/7/19, invoices were delivered to 20 of PHC's 340B Participating Entities on a monthly basis. McCloud Healthcare Clinic Inc. received its first invoice in February for claims reclassification that occurred in October 2018.
- As of 2/28/19, there were 20 340B Participating Entities making monthly wire transfers to the 340BX Trust Account based on the invoice received for that respective month.

Claims/Financial Summary

Claims/Financial summary for 7/1/18 to 9/30/18

7/1/18 to 9/30/18													
Entity	340B Paid Match Claim Count	340B Reversal Claim Count	Walgreens 340B Paid Match Claim Count	Walgreens 340B Reversal Match Claim Count	CVS 340B Paid Match Claim Count	CVS 340B Reversal 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	92	0	0	0	0	0	0	0	0	0	\$ 230.00	\$ 23.00	\$ 253.00
CommuniCare Health Centers	769	0	229	1	0	0	0	0	0	0	\$ 2,495.00	\$ 249.50	\$ 2,744.50
Fairchild Medical Center	1,483	2	0	0	0	0	0	0	0	0	\$ 3,707.50	\$ 370.75	\$ 4,078.25
Hill Country Community Clinic	539	2	0	0	0	0	0	0	0	0	\$ 1,347.50	\$ 134.75	\$ 1,482.25
La Clinica De La Raza	0	0	1,631	2	0	0	0	0	0	0	\$ 4,077.50	\$ 407.75	\$ 4,485.25
Long Valley Health Center	30	0	0	0	0	0	0	0	0	0	\$ 75.00	\$ 7.50	\$ 82.50
Marin Community Clinic Inc.	0	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -
Mendocino Coast Clinics, Inc.	490	3	0	0	0	0	0	0	0	0	\$ 1,225.00	\$ 122.50	\$ 1,347.50
Mendocino Coast District Hospital	168	2	0	0	0	0	0	0	0	0	\$ 420.00	\$ 42.00	\$ 462.00
Mendocino Community Health Clinics, Inc.	1,131	4	390	0	0	0	0	0	0	0	\$ 3,802.50	\$ 380.25	\$ 4,182.75
Mountain Valleys Health Centers, Inc.	238	0	0	0	0	0	0	0	0	0	\$ 595.00	\$ 59.50	\$ 654.50
Northeastern Rural Health Clinics, Inc.	645	0	0	0	0	0	0	0	0	0	\$ 1,612.50	\$ 161.25	\$ 1,773.75
Ole Health	0	0	0	0	0	0	0	0	5,307	8	\$ 13,267.50	\$ 1,326.75	\$ 14,594.25
Open Door Community Health Centers	1,168	3	1,842	10	727	25	5,506	55	0	0	\$ 23,107.50	\$ 2,310.75	\$ 25,418.25
Petaluma Health Center	0	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -
Redwoods Rural Health Center	187	4	0	0	0	0	0	0	0	0	\$ 467.50	\$ 46.75	\$ 514.25
Santa Rosa Community Health Centers	0	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -
Shasta Community Health Centers	3,181	6	1,566	5	0	0	0	0	0	0	\$ 11,867.50	\$ 1,186.75	\$ 13,054.25
Shingletown Medical Center	93	0	0	0	0	0	0	0	0	0	\$ 232.50	\$ 23.25	\$ 255.75
Solano, County of	160	2	0	0	0	0	0	0	0	0	\$ 400.00	\$ 40.00	\$ 440.00
Sonoma Valley Community Health Center	160	2	0	0	0	0	0	0	0	0	\$ 400.00	\$ 40.00	\$ 440.00
Winters Healthcare Foundation	103	1	0	0	0	0	0	0	0	0	\$ 257.50	\$ 25.75	\$ 283.25
QUARTER TOTALS:	10,637	31	5,658	18	727	25	5,506	55	5,307	8	\$ 69,587.50	\$ 6,958.75	\$ 76,546.25

Claims/Financial Summary (cont'd)

Claims/Financial summary for 7/1/18 to 9/30/18

Month	CRX 340B Paid Match Claim Count	CRX 340B Reversal Claim Count	Walgreens 340B Paid Match Claim Count	Walgreens 340B Reversal Match Claim Count	CVS 340B Paid Match Claim Count	CVS 340B Reversal 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
July-18	4,565	11	2,523	9	622	4	2,202	29	1,903	4	\$29,537.50	\$2,953.75	\$32,491.25
August-18	1,720	4	805	1	105	15	786	5	1,636	1	\$12,630.00	\$1,263.00	\$13,893.00
September-18	4,352	16	2,330	8	0	6	2,518	21	1,768	3	\$27,420.00	\$2,742.00	\$30,162.00
TOTAL:	10,637	31	5,658	18	727	25	5,506	55	5,307	8	\$69,587.50	\$ 6,958.75	\$ 76,546.25

Walgreens and submission of 340B claims data

- In the 340B Advisory Committee Update Letter for December 2018, it was reported there were no new updates to report. It appeared PHC's 340B Participating Entities were still waiting for an all-inclusive report to be issued that they could use for reporting Walgreens 340B claims to 340BX Clearinghouse for reclassification.
- As of March 2019, Walgreens has finalized the all-inclusive California MCO report for 340B Covered Entities to use when reporting 340B claims data. The 340B Covered Entities should have access to it via their Walgreens portals. However, if they do not have access, they can request to have that report added to their portal.
- Per our 340B Participating Entities who have accessed the new report, it does contain the information needed for submission of claims to 340BX Clearinghouse for reclassification, but some manipulation of the data to match the file format used by 340BX Clearinghouse is still required.

340B Program in California

- As reported in the 340B Advisory Committee Update Letter for December 2018, in November 2018, PHC received an updated version of the draft All Plan Letter (APL) regarding the Medicaid Drug Rebate Program in California previously sent in March 2018. PHC felt it was a step in the right direction and, depending upon the final version, it could potentially provide a basis for making participation in PHC's 340B Compliance Program mandatory for 340B Covered Entities who want to dispense 340B drugs to PHC members.
- In December 2018, PHC received another document titled "340B Contract Pharmacy Three-way Agreement Minimum Requirements," which contained language not provided in the updated draft APL. The biggest concern was the requirement for claims to be properly identified as 340B utilizing the department specific identifiers at the time of adjudication. Post adjudication identification of 340B claims would not be permitted. As a large component of PHC's 340B Compliance Program is the post adjudication reclassification performed by 340BX Clearinghouse, such a requirement would have a huge impact on the current 340B Covered Entities participating in PHC's 340B Compliance Program.
- On 1/10/19, the proposed 2019-2020 Governor's Budget for the State of California was released with the following language: "The Budget proposes to transition all pharmacy services for Medi-Cal managed care to a fee-for-service benefit. A fee-for-service pharmacy program will increase drug rebate savings and help the state secure better prices by allowing California to negotiate with pharmaceutical manufacturers on behalf of a much larger population of Medi-Cal beneficiaries. Such a standardized drug benefit will reduce confusion among beneficiaries without sacrificing quality or outcomes. This proposal is estimated to result in hundreds of millions of dollars in annual savings starting in fiscal year 2021-22."

340B Retro Reclassification Process

- As reported in the 340B Advisory Committee Update Letter for December 2018, in light of an increase in the inquiries from drug manufacturers (sent via DHCS) regarding possible duplicate discounts, it was determined that a single 340B Retro Reclassification Process for the addition of the UD modifier needed to be created.
- It was determined that the updated process would no longer involve submission of requests to PHC's Claims Department. PHC's IT Team will handle the processing of requests by allowing 340B Covered Entities to submit their requests via a spreadsheet template that can be uploaded electronically. PHC's Pharmacy Services Program Manager will remain the main point of contact for all parties regarding the 340B Retro Reclassification Process.
- Recent action items associated with the 340B Retro Reclassification Process Work Group include the following:
 - Ms. Cook has been working with various departments to determine what type of acknowledgement is needed from the 340B Covered Entities to acknowledge their consent to pay the fees previously approved by PHC's CFO and presented at a prior 340b Advisory Committee Meeting.
 - Cost estimates are being collected from the respective stakeholder departments.
 - The IT Team is close to being beginning the work outlined in their project charter.
- The next 340B Retro Reclassification Process Work Group meeting will be on 3/27/19.

340B Compliance Program Agreement

- In March 2018, the 340B Advisory Committee reviewed and approved proposed changes to the 340B Compliance Program Agreement.
- As reported in the 340B Advisory Committee Update Letter for December 2018, the PHC 340B Team resumed work on another revision of the 340B Compliance Program Agreement. It was decided that PHC would proceed with revisions to the 340B Compliance Program Agreement even though DHCS has yet to provide final guidance as to changes that may or may not be required regarding the 340B Program in the State of California.
- Changes to the agreement include the submission of requests for the addition of the UD modifier (340B Retro Reclassification Process), removal of all references to the Generic Prescription Rate and Primary Care Quality Improvement Program, and updates to the Attachments.
- In conjunction to the revisions to the 340B Compliance Program Agreement, PHC's 340B Team is updating the 340B Compliance Program Policy, which will be reviewed and approved by all required committees.
- Once the revised 340B Compliance Program Agreement is approved, all current 340B Compliance Program Agreements will be terminated, and a new 340B Compliance Program Agreement using the updated version will be put into place with no disruption of service. This same process was used with the major revision of the 340B Compliance Program Agreement completed in 2016.

340B Advisory Committee Schedule

2019

- Update Letter:
 - June 2019
- Meetings:
 - September 25, 2019 from 10:00 AM to 11:25 AM

Questions?

Thank You