

# **340B ADVISORY COMMITTEE UPDATE**

## **JUNE 2018**

### **340B ADVISORY COMMITTEE**

Members: C. Dean Germano (Chair)

Viola Lujan

Kathryn Powell

Amir Khoyi, PharmD

Dan Santi

PHC Staff: Elizabeth Gibboney, CEO

Robert L. Moore, MD, MPH, MBA, CMO

Patti McFarland, CFO

Wendi West, Northern Executive Director

Amy Turnipseed, Senior Director of External and Regulatory Affairs

Michelle Rollins, Director of Legal Affairs

Stan Leung, PharmD, Director of Pharmacy Services

Tony Hightower, Associate Director of Pharmacy Operations

Dawn R. Cook, Pharmacy Services Program Manager

### **INTRODUCTION:**

The last 340B Advisory Committee Meeting took place on March 7, 2018.

### **UPDATE:**

#### **340B Contracting Update:**

As of June 28, 2018, there are 333 340B IDs/sites (147 of which are tied to hospitals) in PHC's 14 county service area, which are eligible to participate in the 340B Program.

## 340B ADVISORY COMMITTEE UPDATE JUNE 2018

As of July 1, 2018, there will be 341 340B IDs/sites (144 of which will be tied to hospitals) in PHC's 14 county service area, which will be eligible to participate in the 340B Program.

As of June 28, 2018, there are 28 active 340B Compliance Program Agreements, so 28 340B Participating Entities. Those 28 active 340B Compliance Program Agreements cover 156 340B IDs/sites (44 of which are tied to hospitals).

As of July 1, 2018, there will be 28 active 340B Compliance Program Agreements that cover 163 340B IDs/sites (42 of which will be tied to hospitals).

On-boarding for the 340B Compliance Program has typically occurred on a quarterly basis to match the effective dates for HRSA's registration for the 340B Program. PHC has halted any on-boarding to the 340B Compliance Program in anticipation of final direction from the Department of Health Care Services (DHCS) with regard to the 340B Program.

### Financial Summary:

The information provided in the table below reflects data provided by 340BX Clearinghouse regarding the reclassification process and invoicing tied to the 340B Compliance Program.

#### Financial summary for 10/1/17 to 12/31/17

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	340BX Compliance Fee	PHC 340B Compliance Fee	Total 340B Compliance Fees
October-17	2,703	19	1,517	0	0	0	1,339	4	\$13,897.50	\$1,389.75	\$15,287.25
November-17	3,278	12	335	7	75	0	1,336	11	\$12,560.00	\$1,256.00	\$13,816.00
December-17	3,788	14	0	2	161	4	1,230	13	\$14,142.50	\$1,414.25	\$15,556.75
<b>TOTAL:</b>	<b>9,769</b>	<b>45</b>	<b>1,852</b>	<b>9</b>	<b>236</b>	<b>4</b>	<b>3,905</b>	<b>28</b>	<b>\$ 40,600.00</b>	<b>\$ 4,060.00</b>	<b>\$ 44,660.00</b>

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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	340BX Compliance Fee	PHC 340B Compliance Fee	Total 340B Compliance Fees
Alliance Medical Center	88	0	0	0	0	0	0	0	\$ 220.00	\$ 22.00	\$ 242.00
CommuniCare Health Centers	647	1	184	0	0	0	0	0	\$ 2,077.50	\$ 207.75	\$ 2,285.25
Fairchild Medical Center	1,320	7	0	0	0	0	0	0	\$ 3,300.00	\$ 330.00	\$ 3,630.00
Hill Country Community Clinic	321	2	0	0	0	0	0	0	\$ 802.50	\$ 80.25	\$ 882.75
La Clinica De La Raza	0	0	596	2	0	0	0	0	\$ 1,490.00	\$ 149.00	\$ 1,639.00
Long Valley Health Center	85	0	0	0	0	0	0	0	\$ 212.50	\$ 21.25	\$ 233.75
Marin Community Clinic Inc.	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -
Mendocino Coast Clinics, Inc.	507	1	0	0	0	0	0	0	\$ 1,267.50	\$ 126.75	\$ 1,394.25
Mendocino Coast District Hospital	95	0	0	0	0	0	0	0	\$ 237.50	\$ 23.75	\$ 261.25
Mendocino Community Health Clinics, Inc.	1,380	3	166	0	0	0	0	0	\$ 3,865.00	\$ 386.50	\$ 4,251.50
Mountain Valleys Health Centers, Inc.	137	0	0	0	0	0	0	0	\$ 342.50	\$ 34.25	\$ 376.75
Northeastern Rural Health Clinics, Inc.	613	0	0	0	0	0	0	0	\$ 1,532.50	\$ 153.25	\$ 1,685.75
Open Door Community Health Centers	1,082	0	0	0	236	4	3,905	27	\$ 14,252.50	\$ 1,425.25	\$ 15,677.75
Petaluma Health Center	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -
Redwoods Rural Health Center	35	1	0	0	0	0	0	0	\$ 87.50	\$ 8.75	\$ 96.25
Santa Rosa Community Health Centers	0	1	0	0	0	0	0	0	\$ -	\$ -	\$ -
Shasta Community Health Centers	2,723	15	906	7	0	0	0	0	\$ 9,072.50	\$ 907.25	\$ 9,979.75
Shingletown Medical Center	76	0	0	0	0	0	0	0	\$ 190.00	\$ 19.00	\$ 209.00
Solano, County of	396	14	0	0	0	0	0	0	\$ 990.00	\$ 99.00	\$ 1,089.00
Sonoma Valley Community Health Center	176	0	0	0	0	0	0	0	\$ 440.00	\$ 44.00	\$ 484.00
Winters Healthcare Foundation	88	0	0	0	0	0	0	0	\$ 220.00	\$ 22.00	\$ 242.00
<b>QUARTER TOTALS:</b>	<b>9,769</b>	<b>45</b>	<b>1,852</b>	<b>9</b>	<b>236</b>	<b>4</b>	<b>3,905</b>	<b>27</b>	<b>\$ 40,600.00</b>	<b>\$ 4,060.00</b>	<b>\$ 44,660.00</b>

### Walgreens and submission of 340B claims data:

Walgreens continues to be a challenged for the 340B Participating Entities currently submitting Walgreens 340B claims data for reclassification. As reported at the last 340B Advisory Committee Meeting on March 7, 2018, Walgreens proposed the creation of a MCO report for use by 340B Covered Entities in California to assist in compliant submission of 340B claims. As of June 28, 2018, that proposed MCO report is still not completed. The 340B Participating Entities currently submitting Walgreens 340B claims data for reclassification continue to use multiple reports for identifying the needed claims data.

# **340B ADVISORY COMMITTEE UPDATE**

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### **Governor Brown's 2018-2019 Budget Proposal and the 340B Program for Medi-Cal:**

On January 10, 2018, the proposed 2018-2019 Governor's Budget for the State of California was released with the following language: "Restrict 340B Drug Reimbursement within the Medi-Cal Program—The Budget proposes to restrict the use of federal 340B Drug Pricing Program reimbursements within the Medi-Cal program, effective July 1, 2019. The proposal allows the state to comply with existing federal requirements, helps protect program integrity, prevents unnecessary overpayments, collects additional drug rebates, and mitigates the amount of time and resources expended to resolve drug rebate disputes related to 340B claims."

In March 2018, PHC received a draft All Plan Letter (APL) regarding the Medicaid Drug Rebate Program in California. The APL was sent to all Health Plans for review. The APL outlined new guidelines for the submission of claims to the DHCS, including 340B claims. PHC provided feedback to DHCS.

The May 2018 Revisions to the Governor's Budget showed no change to the proposal regarding the 340B Program. However, the proposal to eliminate the 340B drug discount program for Medi-Cal was rejected by the Legislature and was not included in the budget. The Administration had proposed trailer bill language to prohibit 340B Covered Entities from purchasing discounted drugs through the 340B program for Medi-Cal managed care and Fee-For-Service (FFS) patients, in order to eliminate duplicate discounts of drugs purchased through the 340B program.

In June 2018, Local Health Plans of California (LHPC) shared a copy of new proposed 340B Trailer Bill Language (TBL) with the suggested changes they made based on their review. They requested input from PHC prior to their submission of their recommendations to the California Department of Health Care Services (DHCS). PHC's 340B Team reviewed the TBL and provided their comments to the Senior Director of External and Regulatory Affairs, Amy Turnipseed. Ms. Turnipseed forwarded those comments to LHPC. On June 20, 2018, Ms. Turnipseed received an update from LHPC that indicated that the TBL will not go anywhere without buy-in from DHCS. If the TBL does not move forward, LHPC indicated DHCS could move forward with the APL previously sent to PHC for review in March 2018.

### **Changes to the 340B Compliance Program Agreement:**

At the last 340B Advisory Committee Meeting on March 7, 2018, the committee approved moving forward with several changes proposed for the 340B Compliance Program Agreement. Due to the 340B proposal in the 2018-2019 Governor's Budget for the State of California, as well as interdepartmental discussions held at PHC regarding the increase in inquiries received from the DHCS regarding manufacturer rebates, those changes were put on hold.

## **340B ADVISORY COMMITTEE UPDATE JUNE 2018**

There will be another interdepartmental meeting held at PHC on July 10, 2018 to provide an update on the current state of the 340B Program in California, as well as to discuss the process for 340B retro reclassification of claims moving forward.

The PHC 340B Team will soon begin a major revision of the 340B Compliance Program Agreement. That revision will be based on final language issued by the DHCS regarding the 340B Program, likely in the form of an APL, as well as the final approved process for 340B retro reclassification of claims.

### **340B Coalition Conferences:**

Mr. Hightower and Ms. Cook will not be attending the 340B Coalition Summer Conference 2018 being held in Washington, D.C., from July 9, 2018 through July 11, 2018.

The 340B Coalition Winter Conference 2019 will be held in San Diego, CA from January 30, 2019 through February 1, 2019.

### **NEXT 340B ADVISORY COMMITTEE MEETING:**

The next 340B Advisory Committee Meeting is scheduled for Wednesday, September 12, 2018, from 10:00 AM to 11:30 AM.

### **QUESTIONS/COMMENTS:**

If you have any questions or comments, please forward them to the Pharmacy Services Program Manager at [340BQIP@partnershiphp.org](mailto:340BQIP@partnershiphp.org).