

340B ADVISORY COMMITTEE UPDATE

JUNE 2019

340B ADVISORY COMMITTEE

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

PHC Staff: Elizabeth Gibboney, CEO
Sonja Bjork, COO
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 April 18, 2019.

UPDATE:

340B Contracting Update:

As of June 30, 2019, there are 335 340B IDs/sites (144 of which are tied to hospitals) in PHC's 14 county service area, which are eligible to participate in the 340B Program.

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As of July 1, 2019, there will be 339 340B IDs/sites (148 of which will be tied to hospitals) in PHC's 14 county service area, which will be eligible to participate in the 340B Program.

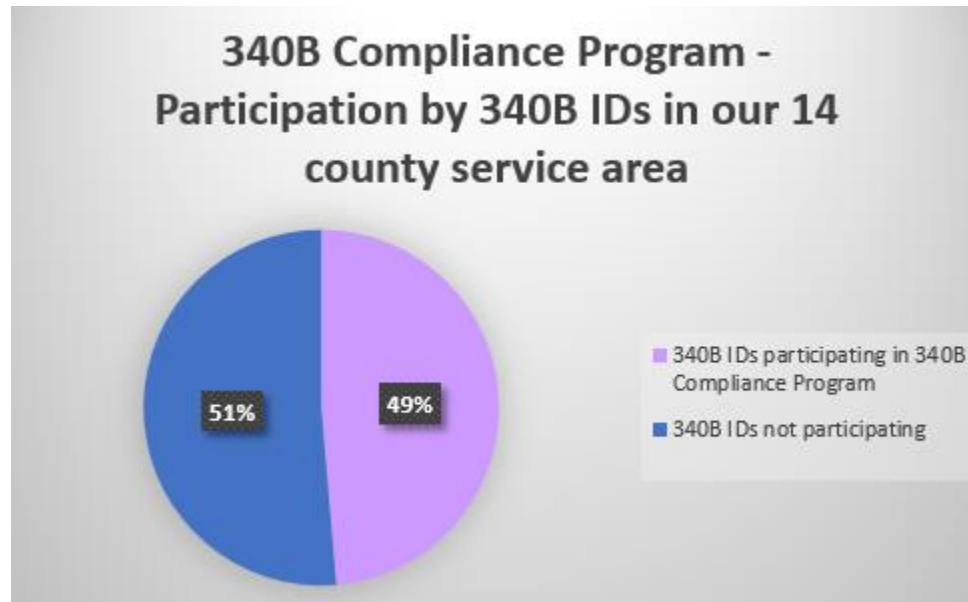
As of June 30, 2019, there are 28 active 340B Compliance Program Agreements, so 28 340B Participating Entities. Those 28 active 340B Compliance Program Agreements cover 163 340B IDs/sites (42 of which are tied to hospitals).

For the effective date of July 1, 2019, there is one (1) 340B Compliance Program Agreement out for Liz's signature, which covers two (2) 340B IDs/sites. There is also one (1) 340B Compliance Program Agreement out to a 340B Covered Entity for review and consideration, which would cover two (2) 340B IDs/sites.

As you can see below, although only 35% of the 340B eligible organizations have an agreement with PHC to participate in the 340B Compliance Program, that 35% covers almost half (49%) of the 340B IDs in our 14 county service area.



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With regard to additional on-boarding for the 340B Compliance Program, we are waiting for information from Adventist Health in the hopes of preparing four (4) 340B Compliance Program Agreements for their hospitals in PHC's 14 county service area.

Next steps regarding additional on-boarding beyond the information noted above is to be determined.

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.

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Financial summary for 1/1/19 to 3/31/19

1/1/19 to 3/31/19													
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	108	0	0	0	0	0	0	0	0	0	\$ 270.00	\$ 27.00	\$ 297.00
CommuniCare Health Centers	691	2	303	1	0	0	0	0	0	0	\$ 2,485.00	\$ 248.50	\$ 2,733.50
Fairchild Medical Center	571	3	0	0	0	0	0	0	0	0	\$ 1,427.50	\$ 142.75	\$ 1,570.25
Hill Country Community Clinic	426	3	0	0	0	0	0	0	0	0	\$ 1,065.00	\$ 106.50	\$ 1,171.50
La Clínica De La Raza	0	0	1,764	11	0	0	0	0	0	0	\$ 4,410.00	\$ 441.00	\$ 4,851.00
Long Valley Health Center	65	0	0	0	0	0	0	0	0	0	\$ 162.50	\$ 16.25	\$ 178.75
Marin Community Clinic Inc.	511	4	0	0	0	0	0	0	0	0	\$ 1,277.50	\$ 127.75	\$ 1,405.25
McCloud Healthcare Clinic	153	0	0	0	0	0	0	0	0	0	\$ 382.50	\$ 38.25	\$ 420.75
Mendocino Coast Clinics, Inc.	508	6	0	0	0	0	0	0	0	0	\$ 1,270.00	\$ 127.00	\$ 1,397.00
Mendocino Coast District Hospital	167	4	0	0	0	0	0	0	0	0	\$ 417.50	\$ 41.75	\$ 459.25
Mendocino Community Health Clinics, Inc.	1,139	7	276	0	0	0	0	0	0	0	\$ 3,537.50	\$ 353.75	\$ 3,891.25
Mountain Valleys Health Centers, Inc.	272	1	0	0	0	0	0	0	0	0	\$ 680.00	\$ 68.00	\$ 748.00
NorthBay Healthcare Group	0	0	0	0	0	0	438	3	0	0	\$ 1,095.00	\$ 109.50	\$ 1,204.50
Northeastern Rural Health Clinics, Inc.	505	3	0	0	0	0	0	0	0	0	\$ 1,262.50	\$ 126.25	\$ 1,388.75
Ole Health	0	0	0	0	0	0	0	0	7,472	10	\$ 18,680.00	\$ 1,868.00	\$ 20,548.00
Open Door Community Health Centers	0	2	1,851	3	0	0	6,084	46	0	0	\$ 19,837.50	\$ 1,983.75	\$ 21,821.25
Petaluma Health Center	0	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -
Redwoods Rural Health Center	138	1	0	0	0	0	0	0	0	0	\$ 345.00	\$ 34.50	\$ 379.50
Santa Rosa Community Health Centers	0	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -
Shasta Community Health Centers	2,382	8	1,129	10	0	0	0	0	0	0	\$ 8,777.50	\$ 877.75	\$ 9,655.25
Shingletown Medical Center	57	1	0	0	0	0	0	0	0	0	\$ 142.50	\$ 14.25	\$ 156.75
Solano, County of	27	0	0	0	0	0	0	0	0	0	\$ 67.50	\$ 6.75	\$ 74.25
Sonoma Valley Community Health Center	165	1	0	0	0	0	0	0	0	0	\$ 412.50	\$ 41.25	\$ 453.75
Winters Healthcare Foundation	101	3	0	0	0	0	0	0	0	0	\$ 252.50	\$ 25.25	\$ 277.75
QUARTER TOTALS:	7,986	49	5,323	25	0	0	6,522	49	7,472	10	\$ 68,257.50	\$ 6,825.75	\$ 75,083.25
TOTAL 340B CLAIMS RECLASSIFIED BY 340BX CLEARINGHOUSE THIS QUARTER:											27,303		

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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
January-19	2,472	11	1,853	6	0	0	1,558	12	3,573	0	\$23,640.00	\$2,364.00	\$26,004.00
February-19	3,011	24	2,770	17	0	0	2,428	23	1,850	1	\$25,147.50	\$2,514.75	\$27,662.25
March-19	2,503	14	700	2	0	0	2,536	14	2,049	9	\$19,470.00	\$1,947.00	\$21,417.00
TOTAL:	7,986	49	5,323	25	0	0	6,522	49	7,472	10	\$68,257.50	\$ 6,825.75	\$ 75,083.25
TOTAL 340B CLAIMS RECLASSIFIED BY 340BX CLEARINGHOUSE THIS QUARTER:											27,303		

340B Program in California:

On January 10, 2019, 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.”

In May 9, 2019, the revisions to the proposed 2019-2020 Governor’s Budget for the State of California were. There were no changes made regarding the Governor’s Executive Order, which had been outlined in the draft from January 10, 2019. The target date for the change remains January 2021.

As of June 30, 2019, no additional information has been provided to PHC by the State.

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Updated 340B Compliance Program Agreement for 2019:

As reported during the 340B Advisory Committee Meeting on April 18, 2019, the updated draft 340B Compliance Program Agreement was approved by all necessary PHC committees and reviewed by the Board.

To date, 26 of the 27 340B Participating Entities that had 340B Compliance Program Agreements in place previously have signed the Termination Letter for the previous agreement and have executed a new 340B Compliance Program Agreement (the approved updated version). There is one (1) 340B Participating Entity that is still reviewing the Termination Letter and new 340B Compliance Program Agreement, but as it is a county organization, additional review time was anticipated.

On April 25, 2019, PHC submitted the updated 340B Compliance Program Agreement to DHCS for review and approval, indicating, “If DHCS does not respond to PHC within 30 calendar days of receiving this e-mail, it will be deemed as approval of the changes presented.”

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.

On June 26, 2019, PHC’s 340B Team along with Sonja Bjork, COO, met to discuss the “findings” and how to respond to the e-mail. Based on information provided by Dr. Nguyen, it was determined that additional changes to the 340B Compliance Program Policy (versus the 340B Compliance Program Agreement) would need to be made. In addition, a data element list requested would take some time to consolidate from multiple different external sources. Based on the discussion, it was determined that PHC would request a 60 day extension in order to submit a draft of the updated 340B Compliance Program Policy and compile the data element list requested.

On June 27, 2019, Mark Bontrager, PHC’s Director of Regulatory Affairs and Program Development was looped in for additional input and advice when the draft response was distributed internally for review. Based on Mr. Bontrager’s advice, additional information regarding the reason for the extension will be included. PHC will submit the response by July 2, 2019.

340B Coalition Conferences:

Ms. Cook will not be attending the 340B Coalition Summer Conference 2019 in Washington, D.C. from July 15, 2019 through July 17, 2019.

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NEXT 340B ADVISORY COMMITTEE MEETING:

The next 340B Advisory Committee Meeting is scheduled for Wednesday, September 25, 2019, 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.