



# 340B ADVISORY COMMITTEE UPDATE June 2020

## **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 March 23, 2020.

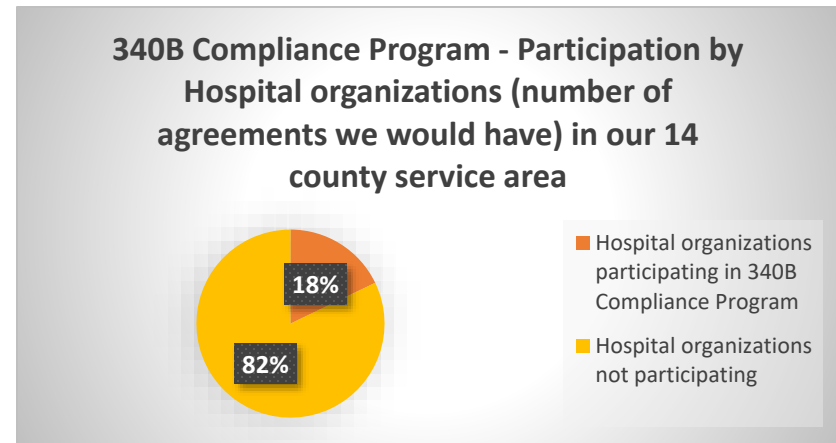
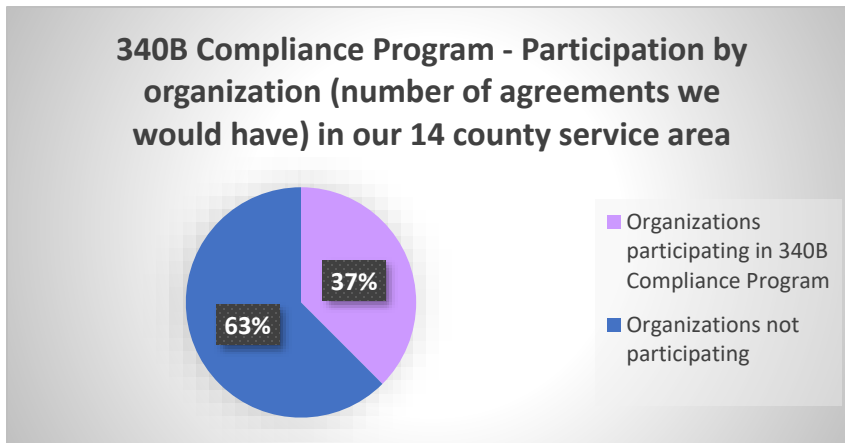
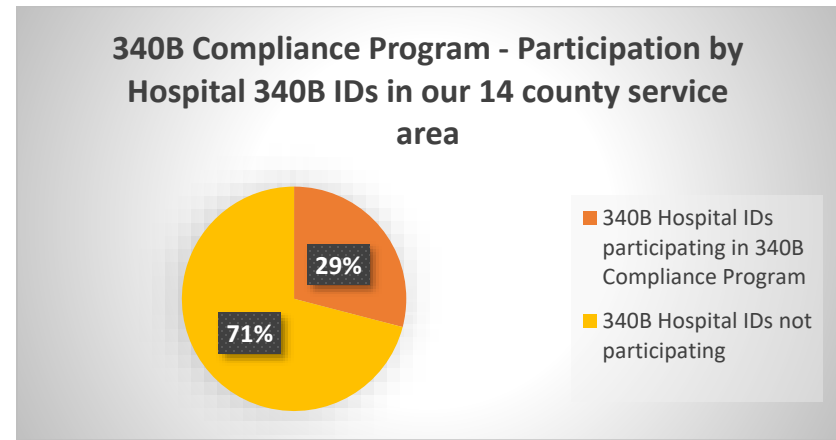
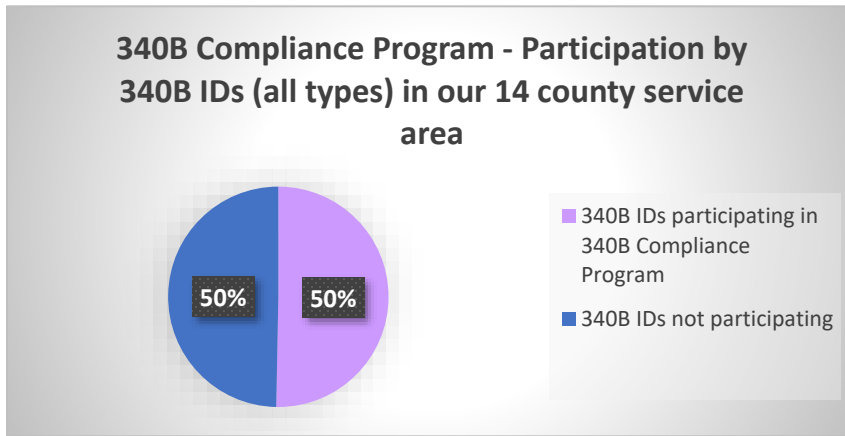
## **UPDATE:**

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

**As of June 30, 2020**, there are 361 340B IDs/sites (178 of which are tied to hospitals) in PHC's 14 county service area, which are eligible to participate in the 340B Program. The 361 340B IDs/sites would equate to 81 340B Compliance Program Agreement (of which 28 agreements would be tied to the 148 hospital IDs/sites).

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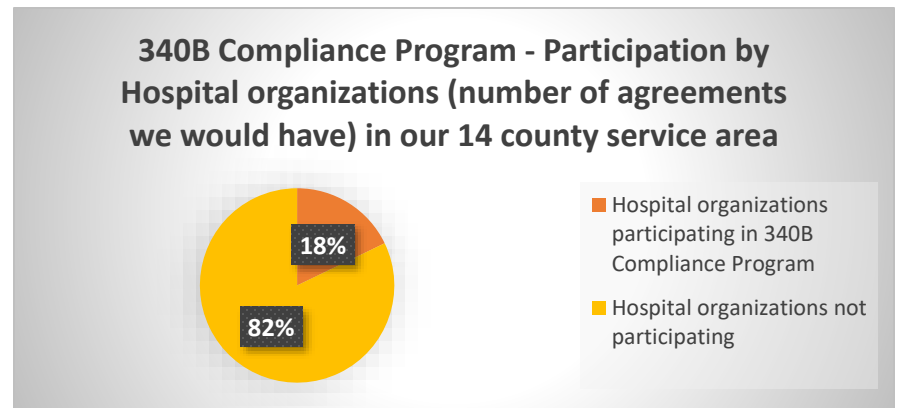
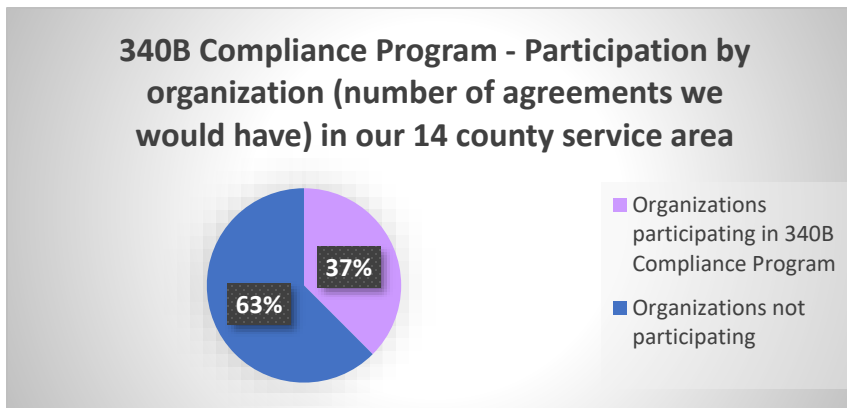
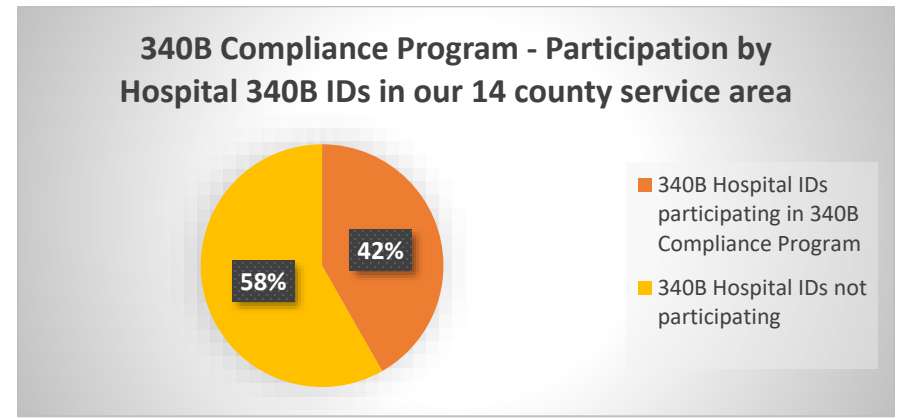
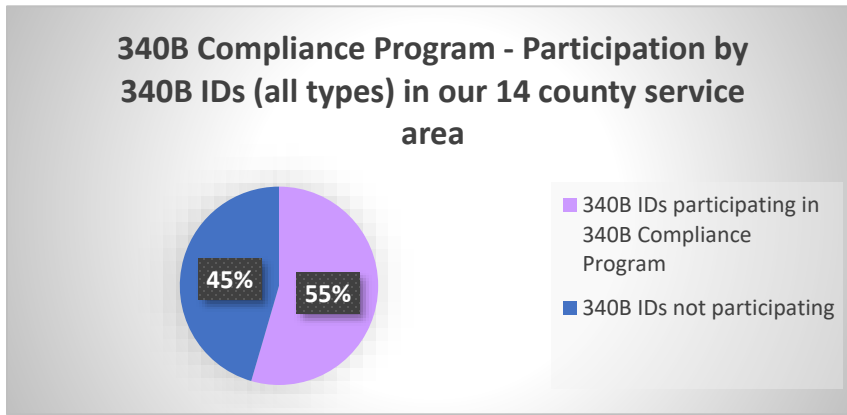
As of June 30, 2020, there are 30 active 340B Compliance Program Agreements, so 30 340B Participating Entities. Those 30 active 340B Compliance Program Agreements cover 203 340B IDs/sites (78 of which are tied to hospitals).



As of July 1, 2020, there will be 362 340B IDs/sites (178 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 362 340B IDs/sites would equate to 81 340B Compliance Program Agreement (of which 28 agreements would be tied to the 182 hospitals IDs/sites).

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As of July 1, 2020, there will still be 30 active 340B Compliance Program Agreements, so 30 340B Participating Entities. Those 30 active 340B Compliance Program Agreements will cover 206 340B IDs/sites (80 of which will be tied to hospitals).



There are currently no new 340B Compliance Program Agreements under review. However, PHC is currently working with West County Health Centers, Inc. to collect information in order to move forward with the preparation and eventual execution of a new 340B Compliance Program Agreement. If West County Health Centers, Inc. joins the 340B Compliance Program, it will add seven (7) 340B IDs/sites and one (1) 340B Compliance Program Agreement to the participating numbers listed above for July 1, 2020.



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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 2020. Jerold Phelps Community Hospital wanted to reconsider participation in the 340B Compliance Program for 2020. Per an e-mail from Jerold Phelps Community Hospital on June 23, 2020, they will provide PHC with an update if they determine they would like to participate in the 340B Compliance Program.

Additional information tied to the Governor’s Executive Order (N-01-19) will help determine the future of PHC’s 340B Compliance 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 1/1/20 to 3/31/20

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
January-20	1,345	5	1,687	8	1,532	8	561	107	\$12,797.50	\$1,279.75	\$14,077.25
February-20	1,816	18	3,393	1	1,448	8	237	2	\$17,225.00	\$1,722.50	\$18,947.50
March-20	2,269	294	1,182	9	260	12	432	7	\$10,357.50	\$1,035.75	\$11,393.25
<b>TOTAL:</b>	<b>5,430</b>	<b>317</b>	<b>6,262</b>	<b>18</b>	<b>3,240</b>	<b>28</b>	<b>1,230</b>	<b>116</b>	<b>\$40,380.00</b>	<b>\$ 4,038.00</b>	<b>\$ 44,418.00</b>

<b>TOTAL 340B CLAIMS RECLASSIFIED BY 340BX CLEARINGHOUSE THIS QUARTER:</b>	<b>16,162</b>
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1/1/20 TO 3/31/20											
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	88	9	0	0	0	0	0	0	\$ 220.00	\$ 22.00	\$ 242.00
CommuniCare Health Centers	385	17	0	0	0	0	0	0	\$ 962.50	\$ 96.25	\$ 1,058.75
Fairchild Medical Center	809	23	0	0	0	0	0	0	\$ 2,022.50	\$ 202.25	\$ 2,224.75
Hill Country Community Clinic	157	17	0	0	0	0	0	0	\$ 392.50	\$ 39.25	\$ 431.75
La Clinica De La Raza	0	0	1,258	8	0	0	0	0	\$ 3,145.00	\$ 314.50	\$ 3,459.50
Lake County Tribal Health Consortium, Inc.	562	0	0	0	0	0	0	0	\$ 1,405.00	\$ 140.50	\$ 1,545.50
Long Valley Health Center	31	0	0	0	0	0	0	0	\$ 77.50	\$ 7.75	\$ 85.25
Marin Community Clinic Inc.	378	27	2,402	0	0	0	0	0	\$ 6,950.00	\$ 695.00	\$ 7,645.00
McCloud Healthcare Clinic	112	0	0	0	0	0	0	0	\$ 280.00	\$ 28.00	\$ 308.00
Mendocino Coast Clinics, Inc.	320	27	0	0	0	0	0	0	\$ 800.00	\$ 80.00	\$ 880.00
Mendocino Coast District Hospital	107	4	0	0	0	0	0	0	\$ 267.50	\$ 26.75	\$ 294.25
Mendocino Community Health Clinics, Inc.	939	90	225	1	6	0	0	0	\$ 2,925.00	\$ 292.50	\$ 3,217.50
Mountain Valleys Health Centers, Inc.	202	17	0	0	0	0	0	0	\$ 505.00	\$ 50.50	\$ 555.50
NorthBay Healthcare Group	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ 4,631.00
Northeastern Rural Health Clinics, Inc.	28	0	0	0	0	0	0	0	\$ 70.00	\$ 7.00	\$ 77.00
Ole Health	0	0	0	0	0	0	1,230	116	\$ 3,075.00	\$ 307.50	\$ 3,382.50
Open Door Community Health Centers	0	0	7	2	1,448	27	0	0	\$ 3,637.50	\$ 363.75	\$ 4,001.25
Petaluma Health Center	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -
Redwoods Rural Health Center	90	4	0	0	0	0	0	0	\$ 225.00	\$ 22.50	\$ 247.50
Santa Rosa Community Health Centers	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -
Shasta Community Health Centers	1,041	67	1,454	7	1,017	1	0	0	\$ 8,755.00	\$ 875.50	\$ 9,630.50
Shingletown Medical Center	10	1	1	0	0	0	0	0	\$ 27.50	\$ 2.75	\$ 30.25
Solano, County of	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -
Sonoma Valley Community Health Center	90	6	0	0	0	0	0	0	\$ 225.00	\$ 22.50	\$ 247.50
Winters Healthcare Foundation	81	8	0	0	0	0	0	0	\$ 202.50	\$ 20.25	\$ 222.75
<b>QUARTER TOTALS:</b>	<b>5,430</b>	<b>317</b>	<b>6,262</b>	<b>18</b>	<b>3,240</b>	<b>28</b>	<b>1,230</b>	<b>116</b>	<b>\$ 40,380.00</b>	<b>\$ 4,038.00</b>	<b>\$ 44,418.00</b>

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### **Medi-Cal Rx-Pharmacy Carve-out**

In light of Governor Newsom's Executive Order N-01-19, DHCS has hosted multiple stakeholder and workgroup meetings to discuss Medi-Cal Rx Pharmacy Carve-out implementation and operation readiness. While DHCS acknowledges the enormous impact of the COVID-19 pandemic, DHCS asserts they remain firm and confident in transitioning the pharmacy benefit from MCP to the Medi-Cal Rx program by January 1, 2021.

### **California State Budget 2020-2021**

As noted at the time of the 340B Advisory Committee Meeting on March 23 2020, DHCS had proposed 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 was an aggregate total based on the self-reported data collected from non-hospital 340B clinics (based on Revenue – Total Reported Expenses).

The revised California State Budget was released on May 14, 2020. The revisions noted, "340B Supplemental Payment Pool—The May Revision proposes to withdraw this proposal to provide payments to non-hospital clinics for 340B pharmacy services for a savings of \$52.5 million (\$26.3 million General Fund) in 2020-21, growing to \$105 million (\$52.5 million General Fund) in 2021-22 and thereafter."

On June 15, 2020, the California Legislature passed the budget bill that rejects the Governor's elimination of the 340B \$26.3 million Supplemental Payment Pool.

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).

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

Ms. Cook will not be attending the 340B Coalition Summer Conference 2020, which will be held virtually from July 20-29, 2020.

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

The next 340B Advisory Committee Meeting is scheduled for Tuesday, September 22, 2020, from 10:00 AM to 11:25 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).