

# 340B and Contract Pharmacy FAQs

## What is the 340B Drug Pricing Program?

This federal program requires drug manufacturers to provide outpatient drugs to eligible hospitals, federally qualified health centers, and other safety net health care providers significant reduced pricing on prescription medications. In order to increase access and convenience for patients, the program allows qualified health care providers to contract with retail pharmacies to dispense medications purchased at 340B prices. This vital program enables covered entities to stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.

## We're already using 340B for our on-campus pharmacies. Why expand to a contract pharmacy network?

Putting your patients first by providing convenient and easy-accessible choices is a key reason to consider broadening your pharmacy network. On-campus pharmacies can only serve a limited number of patients and often are less favorable when it comes time for refills. By creating a contract pharmacy network, covered entities can be confident that they are able to increase community benefit and drive value by extending their pharmacy program throughout their service area.

## Why do I need a 340B administrator?

A successful 340B contract pharmacy program has many moving parts. It requires a high level of expertise for proper administration and to stay compliant. Program sponsors must keep up with 340B regulatory guidance from the Health Services Administration (HRSA) and the Office of Pharmacy Affairs (OPA), including the patient and provider definition. Increased regulatory and manufacturer scrutiny of the program has heightened the need for robust, audit-ready reporting with claim-level inventory tracking. An experienced 340B contract pharmacy administrator allows safety net healthcare providers to benefit from the program while staying focused on patient care and improved community health. By choosing Wellpartner you can be confident we've got you covered.

## What is the current Patient Definition?

To be eligible to receive 340B-purchased drugs, patients must receive health care services other than drugs from the 340B covered entity. The only exception is patients of State-operated or -funded AIDS drug purchasing assistance programs.

An individual is a patient of a 340B covered entity (with the exception of State-operated or funded AIDS drug purchasing assistance programs) only if:

- ◆ the covered entity has established a relationship with the individual, such that the covered entity maintains records of the individual's health care; *and*
- ◆ the individual receives health care services from a health care professional who is either employed by the covered entity or provides health care under contractual or other arrangements (e.g. referral for consultation) such that responsibility for the care provided remains with the covered entity; *and*
- ◆ the individual receives a health care service or range of services from the covered entity which is consistent with the service or range of services for which grant funding or Federally-qualified health center look-alike status has been provided to the entity. Disproportionate share hospitals are exempt from this requirement.

An individual will not be considered a patient of the covered entity if the only health care service received by the individual from the covered entity is the dispensing of a drug or drugs for subsequent self-administration or administration in the home setting.

## How can a 340B program support my clinical staff?

Often, safety net healthcare facilities have limited means to monitor their patients' drug therapy. Thoughtful 340B programs include feedback mechanisms. For example, all prescriptions filled through a Wellpartner 340B CONFIDENT program are recorded in a Medical Management report which tracks prescriptions by patient, provider and NDC, giving prescribers confidence regarding their patients' adherence and persistency metrics and visibility to detailed program financial data. Wellpartner gives you the confidence that you'll spend less time on administrative burdens and more time serving those in need.

## How does my staff know if a prescription is eligible for 340B?

The Wellpartner 340B CONFIDENT service determines 340B eligibility after a claim adjudicates. There are no additional steps required. Your contracted pharmacies serve patients just as you normally do, and be confident that there will be no disruption to serving your customers.

## Why is 340B compliance important?

340B Drug Pricing Program covered entities must ensure program integrity and maintain accurate records documenting compliance with all 340B Program requirements.

HRSA has the authority to audit covered entities for compliance with 340B Drug Pricing Program (340B Program) requirements (42 USC 256b(a)(5)(C)): Covered entities are subject to audit by the manufacturer or the federal government. Failure to comply may make the 340B covered entity liable to manufacturers for refunds of discounts or cause the covered entity to be removed from the 340B Program.

## My organization is new to 340B. Where can I find basic information about the program and its requirements?

The Health Resources Services Administration defines its 340B program thusly: The 340B Drug Pricing Program is a federal program that requires drug manufacturers participating in the Medicaid drug rebate program to provide outpatient drugs to enrolled "covered entities" at or below the statutorily-defined ceiling price. This requirement is described in Section 340B of the Public Health Service Act and codified at 42 USC 256b. The purpose of the 340B Program is to permit covered entities "to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services". H.R. Rep. No. 102-384(II), at 12 (1992). There's an extensive list of 340B-specific FAQs on the [HRSA/OPA](#) website.

## How do I manage 340B inventory?

There is no need to manage a separate physical inventory for 340B claims. Contract pharmacies fill 340B prescriptions just like any others. Wellpartner's system tracks eligible 340B claims and replenishes your pharmacy's inventory as needed.

---

### Wellpartner: Who We Are

As your strategic partner, we're committed to providing a complete 340B service suite that creates value, and gets it right.

Wellpartner is the authority in 340B program management offering innovative technology and the broadest set of 340B services. By staying ahead of industry changes, Wellpartner provides a seamless, easy-to-use solution for covered entities currently or considering participating in the 340B Drug Program.

Our experience is your advantage. Our processes are finely-tuned towards achieving the best results for our customers, whether it is contracting, providing our fully accredited specialty pharmacy services, ensuring program compliance, aligning specialty network access, maximizing claims capture, or driving program value. Wellpartner is focused on excelling at these tasks, since we share the same goal as our covered entity customers — to preserve resources, in order to serve those who need it most.

### Wellpartner | When it matters most

Copyright © Wellpartner 2016. All rights reserved. This material or any portion thereof may not be reproduced or used in any manner whatsoever without the express written permission of the publisher.