

Rx Office Hours: **IMPORTANT**

To ensure a high-quality audio experience for all, please:

- Dial in using your phone (NOT your computer.)
- Enter your personal Attendee ID (located in the left-hand box, below the access code) when dialing in.

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Pharmacy/340B Office Hours

July 19, 2018

Focus Topic: Is an In-House Pharmacy Right for Us?

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What are “Office Hours”?

- **A forum to share info and ask questions about technical and operational issues with other health centers & PCAs.**
 - Do not focus on policy developments.
 - Lots of “experts” on the line
- **Format:**
 - Brief operational updates**
 - Brief presentation on topic of broad interest (“focus topic”)**
 - Open Q&A**
 - Topics and questions can be submitted in advance to cmeiman@nachc.org.*
- **Held monthly (except March & August) on the third Thursday at 2:00 ET**



Asking & Answering Questions

- Please post your questions in the Chat Box, and “Send to Everyone.”
- Please respond to each other’s questions in the Chat Box.
- During the Q&A:
 - We’ll first answer questions we received in advance, and then those in the Chat Box.
 - To ask a question over the phone, click the “raise your hand” icon.



Documents available for immediate download

- The slides from this presentation are available to download immediately.
- To access them:
 - Search for “NACHC 340B”
 - Scroll about halfway down the page, and look under “Office Hours” then “July 2018”



OPERATIONAL UPDATES

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New HRSA Guidance re: Contract Pharmacies & Diversion

- Yesterday, HRSA/ OPA released new guidance re: contract pharmacy arrangements. *(posted with today's slides)*
- First, summarizes key responsibilities of 340B providers that use contract pharmacies.

New HRSA Guidance re: Contract Pharmacies & Diversion

- HRSA then expresses “concerns” re: situations where contract pharmacy or TPA reimburses manufacturers for diversion *without notifying or involving the 340B provider.*
 - Clarifies that 340B provider is expected to:
 - retain primary involvement and responsibility for correcting these errors.
 - ensure transparent record-keeping/ audit trail/ self-reporting to HRSA.
 - review all contracts with TPAs and pharmacies for compliance.

A special 340B University targeting FQHCs

- **Thursday August 23 in Orlando, FL**
 - In same hotel, and day before start of, NACHC CHI
- Geared specifically for health centers
 - Addresses issues specific to us
 - Skips issues that don't impact us
- Is FREE, but registration is requested
- For more info, google “Apexus 340B University”



A very important note re: Extended Registration Windows

Please use extended site registration windows only when absolutely necessary.

- Whenever possible, please register sites during the normal two-week window at the start of each quarter.
- It is very labor-intensive for HRSA to register sites outside this window – and their bandwidth is very limited.
- Extended registration windows apply only to delivery sites
 - not contract pharmacies (except those registered the same day as the new site.)

Health Centers and Contraception

- A group called “Medicines360” offers a Mirena-like IUD to Health Centers and other 340B providers at \$50 each.
 - Contact person is *Mouhamed Mouctar Diallo*,
National Public Sector Associate Director
Cell: [404-202-6292](tel:404-202-6292); Direct: [415-403-8924](tel:415-403-8924),
MDiallo@Medicines360.org
- Health Centers are allowed to use 330 funds to purchase Emergency Contraception, and to dispense it to their patients.
 - Emergency Contraception (e.g., Plan B) is not a form of abortion.
 - Emergency Contraception is covered under Medicaid and can be purchased under 340B.



Looking Ahead

NO PHARMACY OFFICE HOURS IN AUGUST

Resuming in September

Thursday Sept 20, 2:00 – 3:00 Eastern

Same web link

Focus Topic:

Effective Pharmacy Oversight Committees

Summary of Operational Updates

1. Read the new HRSA guidance re: contract pharmacies and diversion!!!
2. FQHC-focused 340B University: Thurs. 8/23 in Orlando, FL – free & good!
3. Whenever possible, please register your sites with HRSA during the regular two-week window at the start of the quarter.
4. For a Mirena-like IUD at \$50 each, contact MDiallo@Medicines360.org
5. FQHCs are allowed to use 330 funds to purchase Emergency Contraception, and to dispense it to their patients.
6. No Office Hours in August; resuming in September with focus topic of Pharmacy Oversight Committees



Focus Topic:
**Is an in-house pharmacy right for our
health center?**

Presenter:

Tim Mallett, RPh

President, Rx for FQHCs

340B Apexus Content Expert

What does “in-house” pharmacy mean?

- “In-house” means a pharmacy that is owned and operated by the health center.
 - Can be co-located with a clinical site, or can be in a separate location.
 - The deciding factor is who owns the pharmacy, not where it is located.
 - If an outside group operates a pharmacy that is located in/on a FQHC clinical site, that is still considered a contract pharmacy.
- An in-house pharmacy can be “open door” (or “retail”) – meaning it’s open to the non-FQHC patients – or “closed door” – meaning it’s limited to the FQHC’s patients.



Topics I'll Cover

1. What is the upside/downside of having your own pharmacy?
2. What information do I need to determine if this is right for my organization?
3. Timeframe
4. Investment
5. Alternatives to an in-house pharmacy



Upsides

to operating your own pharmacy

- Increased return on your 340B purchased medications
 - X % increase in revenue
 - No dispensing fees
 - No “administrative fees”
 - Sometimes a profit sharing model
- Better control over patient outcomes
 - Adherence
 - Compliance
- You set the standards for pharmacy care for your patients
- Avoids the issues involved with contract pharmacies
- Can consider an “open-door” model, which could increase revenue and attract patients to the health center



Downsides

to operating your own pharmacy

- Direct responsibility for pharmacy operations
 - Pharmacy is a “different bird”
 - Regulatory concerns
- Start up costs and effort
 - Design
 - Buildout
 - Inventory
 - TPA services?
 - Hiring and training staff
 - Additional resources within the Health Center
 - Accounting – AR/ AP/ Payroll
 - HR/Credentialing



Factors to Consider

to determine feasibility of an in-house pharmacy

Many factors come into play when determining the feasibility of an in-house pharmacy:

- How many sites (assume primary site is where the pharmacy would be located)
 - 1 primary site (>50% of patients) with many “child” sites
 - 7 sites with the patient population spread between them
- How many providers
 - Minimum 5-6 FTE at the primary site
- Proximity of other sites to primary site
- Volume of Rx's written over 6-12 months
- Payer breakdown
 - Medicaid rules in your state (FFS/MCOs)

Timeframe

for Establishing an in-House pharmacy

All timeframes are estimates

- More or less time depending on state requirements (licensing, Medicaid etc.)
- Some of these activities can be done simultaneously, but others can't
- Construction: 3-4 months
 - Could be less, depending on space available
- Licensing –
 - 1-2 months
- Contracting with PBMs/ insurers
 - 3-4 months



Up-Front Investment

for Establishing an in-House pharmacy

- Buildout costs
 - \$150-\$450K
- Software
 - \$10-30K
- Initial Inventory
 - \$40-250K
- Staffing
 - Comparable to local rates
 - Necessary to find the “right” people
 - Mission driven
 - Some level of management experience (DOP or manager)
 - Self starters



Alternatives

to an in-house pharmacy

- Continue with current contract pharmacy arrangements
 - Auditing and oversight still required with in-house pharmacy
- On-site contract pharmacy model
 - Eliminate much of the start up and operating costs
- Telepharmacy
 - State dependent



Questions?

Tim Mallett, RPh

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Q&A

(starting with those submitted in advance)

Pharmacy Residency Programs

- Some Montana Health Centers with pharmacy residency programs are looking to connect with other Health Centers with similar programs, to share info, ideas, etc.
- Please contact:
 - Paula Block at MT PCA – pblock@mtpca.org
and/ or
 - Colleen Meiman at NACHC – cmeiman@nachc.org



Strategies for Working with Medicaid?

- Kentucky is the one of the latest states where Medicaid is seeking to keep all discounts on Rx dispensed to managed care patients.
- Any suggestions to assist health centers in KY (and elsewhere) on how to respond?



Other Questions?

Reminder: There will be no pharmacy Office Hours in August. We'll resume on September 20th, with a discussion of Pharmacy Oversight Committees.

Contact person: Colleen Meiman, cmeiman@nachc.org