

FEATURE: 340B Tools that Work

Attending to Detail: Tools for Being a 340B Pharmacy

by Will Lockwood

The federal 340B drug-pricing program continues to play an important role in supporting access to care through discounted drug pricing for qualifying healthcare organizations.

There's an ongoing level of interest in providing contract pharmacy services for this program as well. It's a program that offers providers and patients a great deal, but that also requires pharmacies to pay careful attention to staying in compliance with the program's rules. Fortunately, there is technology, both within pharmacy management systems and offered as a service, that support 340B participation.

Getting Into 340B

Blake Riley, Pharm.D., is a junior partner at Hometown Pharmacy, an independent chain with three retail pharmacies, an LTC pharmacy, and a DME location, all in Missouri. Riley is the largest shareholder and manager of the Carrollton location, which just so happens to be in his own hometown. He is also vice president of the board of directors for Carroll County Memorial Hospital. He spent almost a year researching the 340B program before he and Carroll County Memorial Hospital administrator Jeff Tindle decided to jump in.



« Blake Riley, Pharm.D., is using services from a vendor that focuses specifically on 340B program administration, as well as custom reporting in his pharmacy system to manage Carrollton Hometown Pharmacy's participation as a contract pharmacy in the program.

Riley notes that he and Tindle did briefly entertain the idea of administering the program in-house. "But the farther we got into the process," says Riley, "the more we understood that, for peace of mind, we did not want to do this ourselves." Instead, Riley and Tindle have looked to RxPreferred Benefits for support, with an assist from some customized reporting features in the pharmacy's Speed Script system.

Identifying Patients

One of the basic needs for any pharmacy serving 340B covered entities is the ability to correctly identify eligible patients. At Carrollton Hometown Pharmacy, Riley looks to RxPreferred to handle the task of identifying the patients who have prescriptions eligible for 340B claims. "We are able to see in real time who is eligible," says Riley. "That has a lot of implications for the patient, the covered entity, and the pharmacy. We're able to identify a patient who has a prescription from an eligible doctor and enroll him in 340B through RxPreferred at the counter." According to Riley, this process captures a higher percentage of the eligible claims because he doesn't have to worry about somebody at the doctor's office or outpatient clinic enrolling a patient, giving him a card, and sending him to Riley in Carrollton as an eligible pharmacy.

Riley is particularly impressed with another wrinkle that RxPreferred Benefits' process allows for. "Since we can identify 340B eligible patients so effectively at the pharmacy counter," he says, "we can also choose the cheapest way for the patient to get a medication." This is because Carrollton Hometown Pharmacy can actually run a claim through both as 340B and against a patient's private insurance, with RxPreferred doing what Riley calls a shadow bill. "We can actually help the patients at the counter in real time," he says.

Managing Inventory

Another key task is tracking inventory. This is tricky, since the covered entity orders and owns the inventory, but it's the contract pharmacy that actually handles the physical medications, has to track dispensing of reduced-cost 340B drugs as a separate inventory, and ultimately bills the covered entity for dispensing fees.

While pharmacy management systems can offer the ability to track a virtual 340B inventory and create orders based on dispensing, this is another task that Riley is letting RxPreferred Benefits handle. "We get invoices and billing detail reports from them every two weeks," he says. "It's a very trackable system that actually makes it less complicated for my technicians, because they do nothing different with a retail and a 340B prescription, other than adding the 340B BIN and PCN."

Attending to Details

There are quite a few details to 340B, so you will want to make sure that you have the right reporting functionality to take care of business. Blake Riley uses a couple of different reporting tools, including software from RxPreferred and customized reporting created for him by Speed Script that combine to make it easy for him to keep a close eye on all Carrollton Hometown Pharmacy's 340B activity. One report generated by software supplied by RxPreferred Benefits keeps him up to date on the 340B inventory tracking and ordering, for example. "I run this report before we send our retail order every night," says Riley, "and I can quickly compare it against the retail order generated by Speed Script so I don't get double replenishment."

The reporting from Speed Script lets Riley quickly collect claims by a date range and reconcile them against a report from the RxPreferred Benefits software to make sure the pharmacy is capturing every single claim that was eligible for 340B. "Speed Script built us a report with macros and scripts that is very user friendly," he says, "so all I have to do is run it for a date range, and it cuts out everything but the 340B eligible scripts." One of Riley's technicians spends about five minutes every couple of weeks comparing the reports generated by the two different systems.

Keeping Up with Changes

340B requirements can be fluid, from contracts that can change almost on a daily basis to inventory costs that need regular attention. Riley suggests keeping an eye on the covered-drug list, which changes quarterly, and looking out for changes to rules on Schedule II and orphan drugs. "Our system automatically updates for these things quarterly," he says. The critical thing is to be sure you have processes in place that ensure compliance. "They audit the program very frequently," says Riley. "If you're not compliant, it can be very expensive. You could be sanctioned. You can get kicked out of the program." **CT**

Carrollton Hometown Pharmacy can actually run a claim through both as 340B and against a patient's private insurance, with RxPreferred doing what Riley calls a shadow bill. "We can actually help the patients at the counter in real time."
Blake Riley, Pharm.D.