

# Affordable Pharmacy Access

## ICC's Proposed Alternative Methods Demonstration Project

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# ICC Pharmacy Solutions for the Central TX Region

- Expand use of manufacturers' free drug programs (PAPs) for uninsured patients
- Maximize use of federal 340B program allowing deeply discounted drugs to select providers (e.g., FQHCs, DSH, Family Planning) who serve uninsured patients
- Implement an Alternative Methods Demonstration Project to create a "340B network" for existing 340B providers to combine retail and in-house pharmacies, expanding access to affordable prescription drugs

# Alternative Methods Demonstration Projects

- Projects allowed through Office of Pharmacy Affairs which involve one or a combination of the following features:
  - Networking existing 340B Providers
  - The use of multiple contracted pharmacy services sites
  - The utilization of a contracted pharmacy to supplement in-house pharmacy services

Source: [http://bphc.hrsa.gov/opa/altmethod\\_overview.htm](http://bphc.hrsa.gov/opa/altmethod_overview.htm)

# ICC Proposal

## Alternative Methods Demonstration Project

- ICC to adopt the third Alternative Methods Model: utilization of a contracted pharmacy to supplement in-house pharmacy services
- Combined network of in-house and retail (HEB) pharmacies to expand access to affordable medications for 340B eligible patients:
  - Current in-house or contract pharmacy locations aren't always convenient for patients to return for refills
  - DSH OP Pharmacies have limited inventory space to provide pharmacy services to OP clinics
  - Greater convenience for patients is expected to result in better compliance

# ICC Proposal

## Alternative Methods Demonstration Project

- Four original ICC members with 340B status (the “Applicants”) who share patient data through the MPI/CDR propose to form a pharmacy network
- This pharmacy network to use HEB as a retail alternative for uninsured patients of the Applicants
- Contract Medication Purchasing Alliance of Central Texas (MPACT) to manage 340B purchasing for the HEB Pharmacies
- Contract with a Pharmacy Benefits Administrator to administer pharmacy claims and perform Drug Utilization Review (DUR)

# Current 340B Covered Entities within the ICC

- ✦ Federally Qualified Health Centers (FQHCs):
  - Austin/Travis County (14 Clinics)
  - Georgetown (3 Clinics)
- ✦ Family Planning Clinics (*340B discount applies to family planning drugs only*):
  - People's Community Clinic
  - Planned Parenthood (Downtown clinic)

# Current 340B Covered Entities within the ICC

## Disproportionate Share Hospitals:

- Brackenridge Hospital
- Central Texas Medical Center
- St. David's Medical Center

# OPA Definition of a Patient Under 340B

- The covered entity has established a relationship with the individual, which includes maintaining records of the individual's health care
- 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 individual's care remains with the covered entity
- The individual receives a health care service or range of services for which grant funding or federally-qualified health center look-alike status has been provided. (Disproportionate share hospitals are exempt from this requirement.)

# 340B Rules for Disproportionate Share Hospitals

- Allowed to dispense 340B discounted drugs only to patients considered Outpatient:
  - Patients seen then discharged through ED
  - Day Surgery
  - OP Specialty Clinics
  - Observation (<72 hour stays)
  - Discharge Medications for patients released from IP stay

Source: [http://bphc.hrsa.gov/opa/altmethod\\_overview.htm](http://bphc.hrsa.gov/opa/altmethod_overview.htm)

# Current AMDP Applicants

Four ICC member organizations who make up the “Applicants” under the current proposal:

- Austin/Travis County FQHCs
- Brackenridge Hospital
- People’s Community Clinic
- Planned Parenthood

# Covered Entities Who May Participate in the Future

- St David's Medical Center (DSH):
  - Currently meets all eligibility criteria; must send an amendment to AMDP Proposal to be included
- Central Texas Medical Center (DSH):
  - Will not be eligible until patient data is shared with the MPI/CDR
- Georgetown Community Clinic (FQHC):
  - Will not be eligible until patient data is shared with the MPI/CDR

# AMDP Current Status

- Submitted to Pharmacy Affairs in February 2005
  - Approval/Denial with OPA given after 3-6 months of review
  - Reviewed by OPA staff and consultants, then by Office of General Counsel for legal evaluation
- Received request for clarification on two points in April 2005\*
  - Clarification of the relationship between the Applicants, the ICC and M-PACT
  - Clarification that only patients of a 340B Covered Entity named as an “Applicant” would be included in the pharmacy network

\*Copy of letter from OPA and ICC’s response available upon request

# AMDP Current Status

- Advanced to Office of General Counsel for further review early May
- Potential to be approved for October 1 start date

# Before Implementation

- Each Applicant to detail their own patient inclusion criteria (who may receive the benefit):
  - Specific eligibility criteria/expiration period
  - Co-pay and/or Sliding Fee Scale
- Applicants to create a joint Pharmacy and Therapeutics (P&T) committee to establish and maintain the HEB 340B formulary
  - P&T Committee to set charter outlining its role and responsibilities
  - Committee to meet frequently at first, then scale back to quarterly sessions
- Educate providers on program rules and formulary

# Once Approved

- Implementation to begin during the first quarter
- M-PACT required to produce three reports for OPA during the two year project period addressing the following:
  - Evaluate the impact of the project on improving access to prescription drugs
  - Explain actions to reduce administrative costs and expand access to prescription drugs
  - Evaluate procedures to prevent drug diversion and Medicaid rebates on drugs purchased at 340B prices
  - Demonstrate the value of participating in the 340B program

# Summary

- The Alternative Methods Demonstration Project will not cause Covered Entities to change the patients to whom they offer 340B benefits; it will simply allow patients who meet their existing inclusion criteria greater flexibility in filling their prescriptions