Dedication

The 340B Handbook

is dedicated

_to my wife Janet_

for her support through this and the many professional projects in our life together.
Table of Contents

Preface ........................................................................................................................................ vii
Contributors ................................................................................................................................. ix
Acknowledgments ......................................................................................................................... xi

1. Introduction to the 340B Program: Current Perspectives ......................................................... 1
   Andrew L. Wilson, PharmD, FASHP

2. A Historical Perspective on the 340B Program’s Purpose ....................................................... 7
   William von Oehsen, JD

3. 340B Program Requirements and Compliance Issues .............................................................. 17
   William von Oehsen, JD, Barbara Straub Williams, JD and Shuchi Parikh, JD

4. The Basics of 340B Program Implementation ............................................................................. 37
   Christopher S. Shain, PharmD, BCPS and Douglas J. Hosie, MBA, RPh

5. Operations and Business Considerations in Implementing and Optimizing 340B Software: 340B Considerations in the Mixed-Use Pharmacy ........................................... 53
   Christopher S. Shain, PharmD, BCPS and Gregg Niemiec, BS, RPh

6. 340B Pharmacy Supply Chain ............................................................................................... 67
   Lisa N. Schatz, PharmD, BCPS and Steven Sundberg, PharmD

7. 340B Policies and Procedures ................................................................................................. 87
   Lisa N. Schatz, PharmD, BCPS and Fern Paul-Aviles, PharmD, MS, BCPS

8. 340B Considerations in Retail and Specialty Pharmacy ........................................................... 107
   Kevin A. Scheckelhoff, MBA, RPh and Heather Easterling, MBA, PharmD

9. Business and Supply Chain Considerations in 340B Contract Pharmacy ............................. 125
   Julie Houston, CPhT and Andrew L. Wilson, PharmD, FASHP

10. Chargebacks under 340B Constraints .................................................................................... 139
    Katherine Richardson, PharmD and Christopher Hatwig, MS, RPh, FASHP

11. 340B Considerations for Rural Hospitals ............................................................................... 151
    Charles Cooper, MBA, RPh and Madeline Carpinelli Wallack, PhD, MS

12. 340B Implementation and Operations Considerations for Free-standing Cancer Centers .......................................................................................................................... 161
    Krist Azizian, PharmD; John P. Gray, PharmD, MS, BCPS; and Kim Le, PharmD

13. Developing a High-Performing 340B Program...................................................................... 173
    Gregg Niemiec, BS, RPh and Andrew L. Wilson, PharmD, FASHP

14. Financial Management in the 340B Program ......................................................................... 197
    Andrew L. Wilson, PharmD, FASHP
# Table of Contents

15. Preparing for and Surviving a HRSA Audit ................................................................. 203  
Kavish Choudhary, PharmD, MS; Lauren Meekins, PharmD, MS, BCPS;  
and William Black, MBA, PharmD, MS, BCPS

16. Manufacturer Considerations and Perspectives on the 340B Program .................. 225  
Marcus Farbstein, MBA, RPh

17. Future-proofing Your 340B Program ...................................................................... 241  
Andrew L. Wilson, PharmD, FASHP

Index .......................................................................................................................... 247
Preface

The 340B program remains among the most significant supply chain savings opportunities for eligible nonprofit hospitals and government grantee clinics. Nearly 45% of U.S. hospitals participate in the 340B program ranging from small rural hospitals to the largest academic medical centers (AMCs) and integrated delivery networks (IDNs). The regulatory boundaries and operational requirements present a significant challenge to achieve results and mitigate risk. An active 340B program engages a broad spectrum of institutional resources in pharmacy, finance, compliance, and information technology, among others. The goal of community benefit for the care for the uninsured, underinsured, and low-income patients can be well-served through 340B program participation results.

Key elements of the 340B program are not fully outlined in law and regulation. Due to constraints on government oversight authority, formal regulatory guidance exists in only a few areas of the program. 340B program oversight by the Health Resources and Services Administration (HRSA) Office of Pharmacy Affairs (OPA) is supported through guidance documents, frequently asked questions (FAQs) posted on HRSA and Apexus web sites, a call center, and structured training programs through Apexus, the 340B Prime Vendor.

OPA fosters a view of compliance through on-site and desk audits with the primary result of program alignment across covered entities on key policy issues and compliance activities. The primary consequences of audit findings result in posting of violations on the HRSA web site and repayment of unearned 340B discount to manufacturers. OPA, Apexus, 340B Health, and numerous established and independent consultants provide support to 340B program participants, primarily by offering compliance-focused and policy-based solutions.

Pharmacy leaders in 340B hospitals experience a strong tension between meeting detailed and complex 340B compliance requirements as well as supporting technical supply chain efficiency and effectiveness goals, including drug shortages and achieving health-system financial objectives. Drug shortages, formulary changes, supply chain efficiency, and other operating concerns are amplified and complicated by 340B. In addition to health-system operations challenges, the complexities of pharmacy regulation, including state board and Drug Enforcement Administration (DEA) requirements and the requirements of the Drug Supply Chain Security Act (DSCSA), must also be considered.

The 340B Program Handbook is designed as a practical guide for pharmacy leaders, hospital administrators, business managers, and pharmacy supply chain professionals implementing, maintaining, or overseeing a high-performing 340B program. The 340B Handbook content focuses on financial, business, and supply chain performance constraints and opportunities in the face of unique 340B options and compliance constraints.

The Handbook is designed to offer well-organized, practical information that considers and integrates 340B into the current care delivery model, information systems, and the increasingly complex healthcare supply chain beyond 340B. In seeking 340B advice, hospitals generally engage “340B experts” and receive guidance that honors 340B program requirements. In contrast, the Handbook assembles a group of professionals who work with 340B every day to provide a framework for building and managing an effective contemporary supply chain that integrates 340B program requirements.

ASHP members in pharmacy leadership positions (vice presidents, directors of pharmacy, assistant directors of pharmacy), pharmacy business managers, supply chain leaders, and health-
system compliance officers outside pharmacy should find the Handbook to be a practical guide to implementing 340B and as a support in managing leadership conversations regarding 340B program expectations.

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Acknowledgments

I would like to acknowledge the support of my McKesson colleagues—those who contributed to this volume and those who support the supply cad service chain for the many hospitals and clinics that engage in the 340B program.

I would also like to acknowledge the insight and continued focus of the Apexus leadership team and 340B University colleagues in building and communicating with the community of 340B program stakeholders. Thanks to the current and past leadership of the HRSA Office of Pharmacy Affairs; 340B Health along with friends, colleagues, customers, and clients in covered entities; group purchasing operations; manufacturers; 340B administrators; and consultants.

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April 2018