



# From Dollars to Impact: Revenue & Reinvestment Done Right



# Speakers



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**EDGE New Jersey | End  
Discrimination. Gain Equality**



**Joy Winheim**

*President*

**EPIC | Empath Partners in Care**

# Session Takeaways

## Stay Audit Ready

Learn how to strengthen 340B compliance and governance to protect your program.

## Protect Every Dollar

Spot hidden costs and use transparent partnerships to safeguard your savings.

## Turn Savings into Services

Reinvest 340B dollars to expand patient care and community impact.

# Building a 340B Program That Stands Up to Scrutiny

*Presented by Dr. R. Logan Yoho, PharmD, BCACP, 340B ACE*

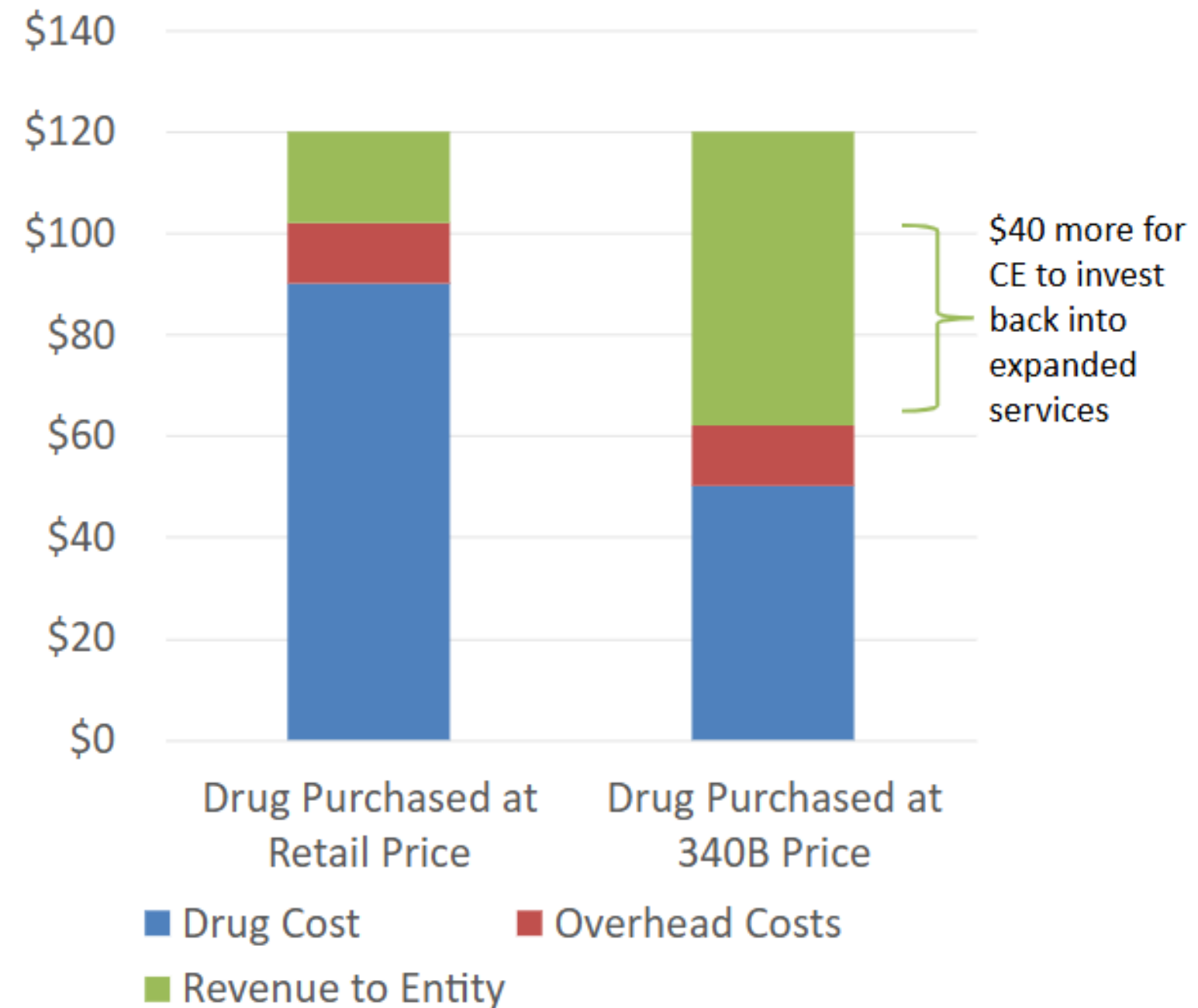




# Calculating 340B Saving

- Commercial insurance reimbursement is typically based on the Average Wholesale Price (AWP), not how much the pharmacy paid to obtain the medications
- If the insurance is paying the pharmacy the same amount and the pharmacy can purchase the medication for less money, they'll realize greater revenue/savings from the prescription

Insurance Pays \$120 For a Drug,  
Regardless of Pharmacy Drug Cost



## These Savings Can Then Be Used To Support Uncompensated Care and Value-Added Services

Healthcare for the  
homeless

Substance use disorder  
clinics

Mental health services

Family planning  
services

Community outreach  
programs

Pharmacist and/or care  
manager-led chronic  
disease state treatment  
clinics

Entity-owned retail  
pharmacies in areas  
with limited access

Expanded hours for  
clinics or retail  
pharmacies

Retail pharmacy drive-  
through or delivery  
services

Partnering with the  
community to add bus  
stops to enhance access  
to healthcare facilities





## Does a covered entity have to track how their 340B savings are used?

- Not currently, but transparency of how savings are used will likely be a key component of any federal 340B legislation passed in the future
- FQHCs do have to report their 340B Program revenue through their annual UDS report
- Some states have begun implementing laws requiring more transparency about how 340B savings are used
- While not required, it is a good idea for covered entities to track their use of savings
  - Helpful to have a process in place when it is eventually required
  - Helpful to use for advocacy efforts, to show the positive impact 340B savings have on the community





# Tracking 340B savings?



## Calculating 340B Net Financial Impact and Use of Savings



TABLE 1: 340B NET FINANCIAL IMPACT					
340B Benefits <i>Add the following three metrics together for total 340B benefit.</i>		MINUS –	340B Compliance Maintenance Costs	EQUALS =	340B Net Financial Impact
TOTAL:	\$		TOTAL: \$		\$
Physician-administered/clinics	\$	–		=	
Entity-owned retail pharmacy	\$				
Contract pharmacy	\$				

### Reported Community Benefit

Community benefit is often reported through a variety of established mechanisms. The following forms are routinely used to report community benefit activities:

- Medicare Cost Report, Worksheet S10
- Schedule H, IRS Form 990
- Grant reporting documents

#### Examples

- Cost of treating uninsured patients (may be referred to as indigent or charity care)
- Unreimbursed cost of treating Medicaid patients
- Bad debt
- Community health improvement services

### Non-Reported Community Benefit

Many nonprofit health care organizations also provide unreported care to underserved populations, which can be highlighted in Table 2. Entities that provide these services to both insured and uninsured populations may need to further break down the service costs based on program intent.

#### Examples

- Other uncompensated care
- Free vaccinations
- Free medication delivery to rural areas
- Free pharmacy medication therapy management (MTM) services
- FTE helping connect patients to manufacturer drug programs
- FTE to increase outreach and enrollment of underserved patients to care or services
- Transition-of-care teams
- Capital building projects focused on low-income populations



# Review and Update Your 340B One-Pager



## **340B one-pager: Snapshot of your organization and 340B Program**

Number of locations or patients served

New or changing retail pharmacies

New or changing services available to patients through 340B savings



## Sample Use of Savings One Pager



5735 Meeker Rd  
Greenville, OH 45331  
937-548-9680

**FAMILY**  
*Health*  
*Building healthy lives together.*

Savings we receive from the 340B program helps Family Health meet these healthcare needs in our community. Congress should preserve and protect the 340B pricing program as an essential part of the safety-net that does not rely on taxpayer dollars.



About Us:	Our Mission: Building Healthy Lives Together
<p>Family Health Services is a non-profit Patient Centered Medical Home &amp; Federally Qualified Health Center. In 1973, we began operations in rural Greenville, Ohio. We now operate 5 locations within the county servicing a large elderly population. Family Health has 200 employees, 40 of which are providers. We serve approximately 28,000 patients resulting in over 113,000 patient visits. Our health center serves a population of patients of which 28% live at or below 200% of the federal poverty level. Many of our patients have transportation issues and the free delivery of medications we offer is a critical part of overall patient care.</p>	<p>By law and by mission, Family Health Services uses all savings resulting from its participation in 340B to expand our patients' ability to access medication and other services regardless of their ability to pay. "Section 330(e) (5) (D) of the Public Health Service Act, as well as the regulations governing our Federal grant, require every penny of savings resulting from our participation in 340B is used for purposes that expand access to care for our patient population. This is consistent with our organizational mission."</p>
What We Offer :	Affordable and Accessible Medications
<ul style="list-style-type: none"> <li>Primary Care</li> <li>Ob/GYN</li> <li>Pediatrics</li> <li>Internal Medicine</li> <li>Addiction Medicine/ MAT Clinic</li> <li>Nutrition /Weight management</li> <li>Psychiatry/Behavioral Health</li> <li>Case Management</li> <li>Diabetes Education</li> <li>Clinical Pharmacy</li> <li>In-House Pharmacy</li> <li>Dental</li> <li>Optometry</li> <li>Radiology</li> <li>Laboratory</li> <li>Smoking Cessation Clinic</li> <li>Hypertension Clinic</li> <li>Health insurance application counselor</li> <li>Patient Assistance Advocate</li> <li>Community Services Resource</li> </ul>	<ul style="list-style-type: none"> <li>Family Health Services provides discounted medication pricing to all uninsured patients with incomes at 200% or less of FPL through a sliding fee that follows the patient throughout the facility.</li> <li>Our Patient Assistance Advocate served 452 patients by filling 1,327 prescriptions valued at \$2,137,654 last year.</li> <li>We offer a special pricing list in addition to the sliding fee.</li> <li>Family Health Pharmacy provides adherence packaging and free delivery of medications.</li> </ul>
	340B Savings
	<p>Without our current 340B savings the following could disappear:</p> <p>Patient Assistance, Dental, Radiology, Psychiatry, Clinical Pharmacy Services, Residency Programs, Delivery Services, Community Service Resources, Diabetic and Nutrition Services.</p>



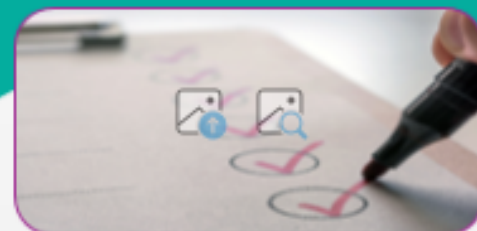


How Can

**FQHC**

340B Compliance

Help You?



### 340B Monthly Coordinator Services

Monthly audits to ensure continued 340B compliance and optimization.



### Manufacturer Restriction Management

Contract pharmacy designation, claim submission, and restriction monitoring.



### Referral Capture Services

Policy & procedure support and referral prescription processing in line with the health center's defined parameters.



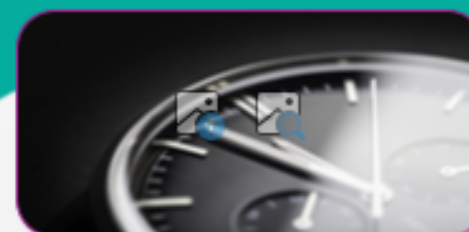
### External 340B Audits

Independent audit of the health center's 340B Program, modeled after HRSA audits, to ensure the organization is HRSA audit ready.



### Entity-Owned Pharmacy Services

Comprehensive support to maximize compliance, efficiency, and sustainability for new or existing entity-owned pharmacies.



### HRSA & Manufacturer Audit Support

Assistance in audit preparation, data consolidation and submission, and on-site support.



### Consulting Services

Support with unique health center 340B and pharmacy operations projects.



# 340B *eware*

## The Devil is in the Details

*Presented by Christopher Broom, CPhT, 340B ACE*





THE MOST  
**TRANSPARENT**  
**HONEST**  
&  
340B PHARMACY

NPS  
PHARMACY





# Integrated 340B Pharmacy & Wholesale Solutions



## Full-Service 340B Partner

- 340B Contract Pharmacy Management
- All-Inclusive Services: Dispensing, TPA, Shipping, Mobile App
- Onsite, Co-Located, and Mail-Order Pharmacy Models
- Consulting Services: Feasibility, ROI Analysis, Compliance Support
- Licensed in 49 States + Puerto Rico
- Preferred Pharmacy for Tennessee ADAP and National PrEP Providers



## Wholesale 340B Drug Buying Group

- Direct Wholesale Access (**not** a GPO)
- No Hidden Referral Fees – Savings 100% Passed to You
- Pricing Below 340B Ceiling and PVP Rates
- Primary Wholesaler: Cardinal Health
- Negotiation Support Across All Major Wholesalers



## Consulting & Advisory Services

- Custom TPA Contracts
- Onsite Clinics and Telehealth Partnerships
- Insurance and Payer Strategy Development





# HIDDEN FEES



## ■ Undisclosed Service Fees

- Dispensing fees or per-prescription charges
- Shipping and mailing costs (e.g. \$15-\$60 per package)



## ■ Hidden Program Management Costs

- Additional reporting and administrative fees not explicitly disclosed



## ■ Opaque Specialty Pharmacy Charges

- Lack of transparent criteria for specialty pharmacy transfers, leading to elevated fees



## ■ Exclusive TPA Requirements

- Mandated use of high-cost third-party administrators (TPAs) at above-market rates



## ■ Revenue-Based Fee Structures

- Percentage of gross revenue fees versus fixed, standardized pricing models





# HIDDEN FEES



- **Transition or Exit Fees**
  - Fees charged for switching vendors or terminating agreements



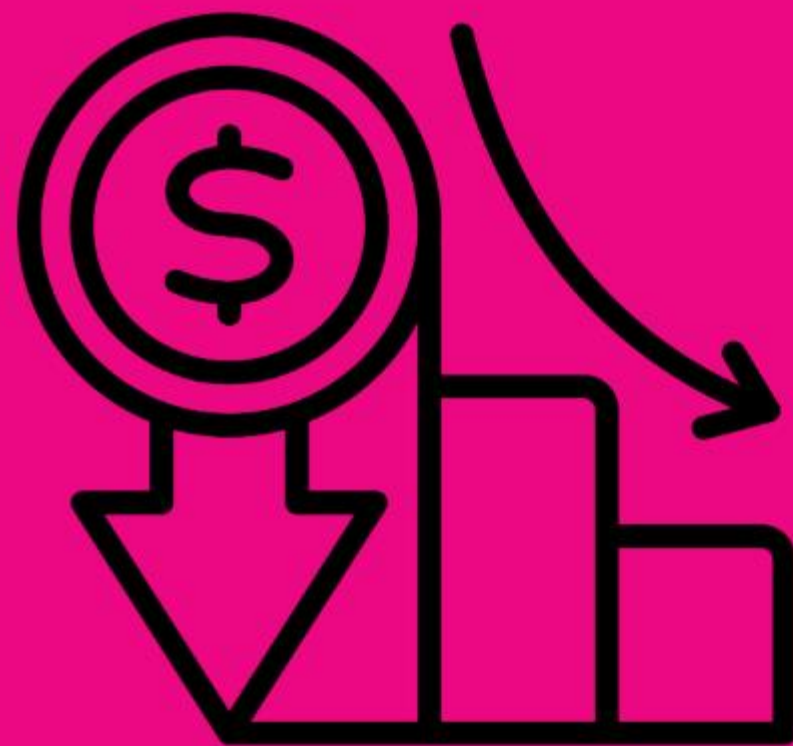
- **Excessive Travel Charges**
  - Travel billed at premium rates (e.g., \$150-\$300 per hour)



- **Nontransparent GPO Referral Fees**
  - Unreported referral fees (1.5% - 4.0%) retained from drug wholesalers to contract pharmacies



# The True Cost of Hidden Fees



- Drastic Reduction in 340B Savings
- Budget Deficits
- Lost Program Income
- 340B Program Compliance Violations
- HRSA Penalties
- High Legal Costs
- Reputational Damage



# Safeguard Your Interests

## *Critical Steps for Contracting for Pharmacy Services*

- **Scrutinize Every Agreement**
  - Read all terms carefully – no detail is too small
- **Enforce Clear Fee Structures**
  - Include clauses prohibiting hidden charges
  - Require itemized, detailed invoices
  - Build in regular audit rights to monitor compliance
- **Engage Expert Legal Counsel**
  - Use attorneys specialized in healthcare and 340B law
  - Avoid relying on board members or non-340B legal counsel
- **Demand Full Fee Transparency**
  - Request a comprehensive breakdown of all fees and charges
  - Obtain a signed affidavit confirming no undisclosed fees



# Exposing Hidden Fees

Big Box vs. All-Inclusive Contract Pharmacy

Side-by-Side Comparison



# From Dollars to Impact

## Revenue & Reinvestment

### Done Right





# Questions?

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## Stop by the NPS Pharmacy Booth





# THANK YOU

