

Characteristics of a 340B Pharmacy

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Family Healthcare Pharmacy



What is a covered Entity

- **Family Healthcare Clinic** is the covered entity and is a Federally funded Community Health center. They hold the wholesaler account and therefore buy the 340B drugs.
- **Family Healthcare Pharmacy** is owned by NDSU and is a contract pharmacy with the covered entity (FHC) and is contracted to handle the drugs and prevent any diversion.

Can 340B patient's be seen at outside facilities?

- If a patient needs to be seen for a specialty outside the covered entities scope of practice a referral must be put in their chart by the PCP at Family Healthcare Clinic.
- The pharmacy must make sure this referral is in place prior to filling any prescriptions that come from an "outside" provider.
- Family Healthcare Clinic has referral coordinators that are responsible for making sure all of this is in place for the patient to be able to use Family Healthcare Pharmacy.

WHAT IS 340B?

- 340B is a federal program that was established in 1992 to provide discounts for drugs for eligible health clinics, health centers, and outpatient hospital clinics.
- Reduces the cost to about half the retail price with the purpose to provide these medications for those with low income and the under-insured.
- Intent is to allow covered entities to stretch scarce Federal resources and provide more comprehensive services.
- Must have a Federal Grant to have 340B status.

Guidelines to dispense 340B drugs

- Patients receiving 340B drugs must meet 3 requirements:
 1. The patient must be seen by a provider at the covered entity (FHC Clinic) and the prescriptions must be written by a provider at that facility. Then patient must be seen 1 time every year (this is set by the entity).
 2. The covered entity must have possession of the patient's medical records.
 3. The prescribing must be within the scope of practice of the covered entity.
 4. Family Healthcare Pharmacy also fills for most commercial insurance plans, Medicare part D, and Medicaid.

Ordering and tracking 340B drugs

- Every 340B drug purchased must be traceable.
- Contracted pharmacies can have both non-340B inventory and 340B inventory. Both must be traceable on invoice and kept separate in inventory, either physically or virtually.
- These drugs can include prescription drugs, OTC'S written on prescription, and clinic administered drugs.

Monitoring Compliance

- The covered entity is responsible for assuring compliance of its contracted pharmacy.
- The covered entity (FHC Clinic) performs periodic audits of the contract pharmacy to assure they are in compliance.
- HRSA conducts auditing of facilities using 340B drugs.
- Manufacturers can also perform audits.