PARTNERSHIP HEALTHPLAN OF CALIFORNIA
340B ADVISORY COMMITTEE ~ MEETING NOTICE

Members: C. Dean Germano (Chair)
Viola Lujan
Kathryn Powell
Amir Khoyi, PharmD
Daniel Santi

PHC Staff: Elizabeth Gibboney, CEO
Sonja Bjork COO
Wendi West, Northern Executive Director
Michelle Rollins, Director of Legal Affairs
Stan Leung, PharmD, Director of Pharmacy Services
Dawn R. Cook, Program Manager II, Quality Improvement
Patti McFarland, CFO
Robert L. Moore, MD, MPH, MBA, CMO
Amy Turnipseed, Senior Director of External and Regulatory Affairs
Tony Hightower, CPhT, Associate Director of Pharmacy Operations

Per Governor Newsom Executive Order, N-25-20 that relates to social distancing measures being taken for COVID-19, the Executive Order authorizes public meetings with Brown Act requirements to be held via teleconference or telephone. It waives the Brown Act requirement for physical presence at the meeting for members, the clerk, and/ or other personnel of the body as a condition of participation for a quorum. However, the Executive Order requires at least one public location consistent with ADA requirements to be made available for members of the public to attend the meeting, so all PHC offices will be available for members of the public to attend the meeting in-person.

FROM: Dawn R. Cook
DATE: March 4, 2021

SUBJECT: 340B ADVISORY COMMITTEE MEETING FOR 2021

The 340B Advisory Committee will meet as follows and will continue to meet biannually. Please review the Meeting Agenda and attached packet, as discussion time is limited.

DATE: Wednesday, March 10, 2021 TIME: 1:00 p.m. – 2:25 p.m.

LOCATIONS: Video Conferencing and/or Conference Call via Webex

Partnership HealthPlan of CA Napa/Solano Conference Rooms 4665 Business Center Drive Fairfield, CA 94534 **Please park in front of the building.* **Please wait for Dawn R. Cook at the reception desk.*	PHC Redding Office Trinity Alps Conference Room 2525 Airpark Drive Redding, CA 96001 **Please ask for Derick Stacy.*

Please contact Dawn R. Cook at (707) 419-7979 or e-mail 340BQIP@partnershiphp.org if you are unable to attend.

REGULAR MEETING OF
PARTNERSHIP HEALTHPLAN OF CALIFORNIA'S
340B ADVISORY COMMITTEE - MEETING AGENDA

Date: March 10, 2021 Time: 1:00 p.m. – 2:25 p.m. Location: PHC

Welcome / Introductions				
	Topic	***Lead***	***Page #***	***Time***
I.	**Public Comments**	**Speaker**	**N/A**	**1:00 p.m.**
II.	**Opening Comments**	**Chair**	**N/A**	**1:05 p.m.**
III.	**Approval of Minutes**	**Chair**	**3 – 8**	**1:10 p.m.**
IV.	**Standing Agenda Items**			
1.	Partnership HealthPlan of California (PHC) 340B Compliance Program Update	Dawn R. Cook	11 – 15	1:15 p.m.
V.	**Old Business**			
1.	Medi-Cal Rx Update	Dawn R. Cook	16	1:25 p.m.
VI.	**New Business**			
1.	Future of PHC's 340B Compliance Program	Dawn R. Cook	17	1:45 p.m.
2.	Future of the 340B Advisory Committee	Dawn R. Cook	18	2:05 p.m.
VII.	**Additional Items**			
1.	N/A	N/A	N/A	N/A
VIII.	**Adjournment**	**Chair**	**N/A**	**2:25 p.m.**

PARTNERSHIP HEALTHPLAN OF CALIFORNIA (PHC)

Minutes of the Meeting
PHC 340B Advisory Committee held at PHC Fairfield Office
4665 Business Center Drive, Fairfield, California 94534
Napa/Solano Room
September 22, 2020 – 10:00 a.m. to 11:25 a.m.

Per Governor Newsom's Executive Order, N-25-20, that relates to social distancing measures being taken for COVID-19, the Executive Order authorizes public meetings with Brown Act requirements to be held via teleconference or telephone. It waives the Brown Act requirement for physical presence at the meeting for members, the clerk, and/ or other personnel of the body as a condition of participation for a quorum. However, the Executive Order requires at least one public location consistent with ADA requirements to be made available for members of the public to attend the meeting, so all PHC offices will be available for members of the public to attend the meeting in-person.

Commissioners Present or joining via Teleconference (TC):
C. Dean Germano (Chair); Viola Lujan; Daniel Santi; Amir Khoyi, PharmD; Kathryn Powell

Staff Present or joining via Teleconference (TC):
Patti McFarland, CFO; Michelle Rollins; Stan Leung, PharmD; Tony Hightower, CPhT; and Dawn R. Cook

PUBLIC COMMENTS

None presented.

WELCOME/INTRODUCTION

Brief introductions were made.

AGENDA ITEM I – PUBLIC COMMENTS

There were no public comments.

AGENDA ITEM II – OPENING COMMENTS

Mr. Germano welcomed the committee to the meeting. Mr. Germano stated these were unprecedented times for those who operate in the world of 340B. He stated there were issues being faced due to the carve-out of the Pharmacy benefit to the State, as well as big PHARMA's attack on Medicare, which could cause problems that potentially undermine the program. With regard to the 340B and Medi-Cal issue, he noted that for his my organization, Shasta Community Health Centers (SCHC), a roughly $40 million operation, 340B added about $6-$7 million to the bottom line that supported a lot of care in that organization. The loss of 340B savings for SCHC would be substantial. It would change the face of SCHC in many respects, and not for the better, so it was a fight worth fighting.

AGENDA ITEM III – APPROVAL OF MINUTES

The minutes from the 340B Advisory Committee Meetings on 3/23/20 were reviewed. A motion to approve the minutes was made by Ms. Lujan, and Mr. Santi seconded the motion. The minutes were approved with no changes. No committee members opposed or abstained.

AGENDA ITEM IV – STANDING AGENDA ITEMS

PHC 340B Compliance Program Update

340B Compliance Program Update:

Ms. Cook noted that as of 9/15/20, there were 362 340B Sites/IDs within PHC's 14 county service area that were eligible to participate in the 340B Program, of which 178 were hospitals. Those 362 340B Sites/IDs would equate to 80 340B Compliance Program Agreements (of which 28 would be tied to hospitals) if all were participating in PHC's 340B Compliance Program.

PHC had 31 executed 340B Compliance Program Agreements, which covered 210 active 340B Sites/IDs (of which 5 agreements and 78 Sites/IDs were hospitals). At that point in time, about 58 percent of active 340B Sites/IDs in PHC's 14 county service area were participating in PHC's 340B Compliance Program (including 44 percent of active 340B Sites/IDs for hospitals).

Ms. Cook noted that as of 10/1/20, there would be 367 340B Sites/IDs within PHC's 14 county service area that were eligible to participate in the 340B Program, of which 177 would be hospitals. Those 367 340B Sites/IDs would equate to 86 340B Compliance Program Agreements (of which 28 would be tied to hospitals) if all were participating in PHC's 340B Compliance Program.

PHC would still have 31 executed 340B Compliance Program Agreements, which would cover 210 active 340B Sites/IDs (of which 5 agreements and 78 Sites/IDs would be hospitals). At that point in time, about 57 percent of active 340B Sites/IDs in PHC's 14 county service area would be participating in PHC's 340B Compliance Program (including 44 percent of active 340B Sites/IDs for hospitals).

Ms. Cook noted that at that point, no current 340B Participating Entities had contacted her about terminating their 340B Compliance Program Agreements. She noted all entities were likely trying to maximize their savings, as long as they can.

Per Ms. Cook, a new 340B Compliance Program Agreement between PHC and West County Health Centers was executed with an effective date of 7/1/20.

In August 2020, Ms. Cook had a conference call with the 340B consultants working with Jerold Phelps Community Hospital, as the hospital noted possible interest in joining the 340B Compliance Program. The hospital is currently determining if they should move forward in light of the pending pharmacy benefit carve-out. Ms. Cook noted that as it was down to the wire, it was likely a question of whether it was worth the effort to enroll for one quarter's worth of 340B savings. Mr. Germano asked where the hospital was located, and Ms. Cook noted it was in Southern Humboldt County.

Claims/Financial Summary:

Ms. Cook reviewed the claims and financial information regarding the quarter from 4/1/20 to 6/30/20.

For the 4/1/20 to 6/30/20 quarter, there were 8,033 340B Paid Matched Claims, 10,528 Walgreens 340B Paid Match Claims, 1,499 SunRx Paid Match Claims for Ole Health, and 5,314 Wellpartner 340B Paid Match Claims for the quarter, for a total of 25,374 Matched Claims for the quarter. Those claims only reflect claims for those 340B Covered Entities that participate in PHC's 340B Compliance Program and have claims reclassified by 340BX Clearinghouse. That claim total did not include the claims processed by pharmacies that did point-of-sale (POS) flagging, and it did not include Physician-Administered Drug (PAD) claims.

The Total 340B Compliance Fees were $69,764.75. Of that total, $63,422.50 were 340BX Compliance Fees and $6,342.25 were PHC 340B Compliance Fees.

In response to a request for clarification from Mr. Germano, Ms. Cook noted the 340B Compliance Fees are the same for all participants in the 340B Compliance Program regardless of the number of participants. She indicated that had Medi-Cal Rx not come to fruition, and PHC had been able to invite more 340B Covered Entities to participate, the plan was to have a discussion with 340BX Clearinghouse at a later date regarding renegotiation of the fees.

Mr. Santi asked Ms. Cook if she had heard from 340BX Clearinghouse regarding the pending carve-out. Ms. Cook stated 340BX Clearinghouse will continue to operate as their services are not just for Medicaid claims. As to PHC's future relationship 340BX Clearinghouse, PHC was discussing the topic internally based on updates tied to Medi-Cal Rx.

Mr. Germano questioned if there was a way to calculate the amount of total 340B savings within PHC's 14 county region, as that information had not been available. Ms. Cook stated she was contacted by one of the 340B Participating Entities regarding that specific idea of being able to produce information regarding the amount of savings that entities have received, specifically asking what the Health Plans in our areas could produce. Per Ms. Cook, PHC would be unable to provide that sort of information, as PHC does not receive financial information regarding 340B savings. Ms. Cook mentioned that when the 340B Compliance Program started as a pilot, PHC did report on 340B Savings, but only because most of the pilot group worked with CaptureRx, a 340B Administrator, which is the sister company to 340BX Clearinghouse. Ms. Cook noted that in order to collect information regarding 340B savings, 340B Covered Entities would have to go to their 340B Administrators, request that information, and then agree to work together to come up with a figure. Those 340B Covered Entities could then use that information to show the difference between their actual 340B savings and the supplemental pot of $105 million per year that will be split between all non-hospital 340B Covered Entities in California. Mr. Germano stated the participating health centers and the hospitals in PHC's region were benefitting from the 340B savings.

With regard to respective 340B savings, Mr. Germano and Mr. Santi discussed how each 340B Covered Entity's practice was different, and the types of drugs they included in their 340B Programs varied. SCHC's average 340B savings may be significant different from another organization's amount. Ms. Cook felt that had been one of the ongoing issues. Each entity uses the 340B Program slightly different, which has always been the issue for PHC with regard to the concept that PHC could audit 340B Covered Entities when the Health Plan was not privy to specific information tied to drugs and pricing in the 340B Drug Pricing Program. Mr. Germano stated that when the Community Health Centers talked to California State Assembly and Senate members, as well as administration, they were informed that the 340B Covered Entities were going to lose some money due to the pending Pharmacy Benefit carve-out. When you talk about losing $50 to $100 million from services in this region, a mostly underserved region, it is a powerful statement that the carve-out would not be in their best interest. However, from the Governor's standpoint, his argument would be that he needs the savings to keep the expanded Medi-Cal Program; that would be the rationalization. From our regional perspective, Mr. Germano did not see much good coming out of the carve-out, noting PHC could face issues with managing care when they do not have a handle on managing medications.

AGENDA ITEM V – OLD BUSINESS

There was no new business to discuss.

AGENDA ITEM VI – NEW BUSINESS

Medi-Cal Rx:

On January 7, 2019, Governor Gavin Newsom issued an Executive Order (N-01-19) ordering that DHCS take all necessary steps to transition all pharmacy services from Medi-Cal Managed Care to a Fee-For Service (FFS) benefit by January 2021 in order to create significant negotiating leverage on behalf of over 13 million Californians and generate substantial annual savings.

DHCS remained confident Medi-Cal Rx would go live on January 1, 2021.

DHCS would begin member and provider outreach campaign starting October 1, 2020. Members and pharmacies would receive 90 day, 60 day, and 30 day notices regarding pharmacy benefit change. The 90-day notice would be a critical milestone for Medi-Cal Rx implementation and "point of no return."

Regardless of a medication dispensed in the pharmacy or administered by a physician, all medications billed through *pharmacy benefit* would belong to Medi-Cal Rx. All medications billed through *medical benefits* would continue to belong to the Managed Care Plan (MCP).

In response to a question from Mr. Germano, Dr. Leung provided some clarification regarding the Medi-Cal Rx Program. Dr. Leung stated the oversight of the benefit was determined by how the medication was billed whether it is through a pharmacy or through a hospital/clinic setting. Based on the scope document, all covered outpatient drugs, approved drugs, and all PADs would be fully or partially carved out, so there would not a medication per se that was not part of the Medi-Cal Rx. The difference is how the medication is paid for, and whether it was billed as a medical or a pharmacy claim. Right now, it was 99 percent certain the carve-out would happen on January 1, 2021. There was a series of continued meetings for various work groups to flesh out last minute details of the implementation for DHCS, Magellan, and the Managed Care clients. The member notification letters were scheduled to go out on October 1, 2020, and those would be the last thing in terms of any delays in the implementation.

With regard to medications billed through medical benefit, Mr. Santi asked if those would be things like IUDs, which are part of procedures. Dr. Leung stated medications like oral contraceptives that were dispensed through providers like Planned Parenthood and processed or filled through medical benefit would be part of the medical benefits. Any medication

administered from the doctor's office or an outpatient setting would be billed through the medical benefit via the hospital or medical provider. Medical benefit claims would be paid by PHC. Per Mr. Santi, those claims never went through a Contract Pharmacy, so SCHC and other 340B Covered Entities would not be losing revenue on those claims.

In response to a question from Ms. Lujan, Dr. Leung reiterated that how a medication was billed would determine whether Medi-Cal Rx (the State) or PHC would pay for it. If a medication was billed through an infusion pharmacy, community pharmacy, or specialty pharmacy, and submitted via a pharmacy claim form, that medication would be processed through Magellan and paid out through their rates and methodology, as a Pharmacy Benefit claim pursuant to Medi-Cal Rx. If a medication was administered in the doctor's office, then the doctor/clinic/hospital outpatient department would submit that claim as a medical benefit directly to PHC's Claims Department for payment. Ms. McFarland said attention would have to be paid to providers that have historically sent claims to the pharmacy, but then changed them to a medical claim later. PHC and the State will be keeping an eye on shifting costs. PHC does not want to see drugs that have always been processed through the PBM now coming to PHC's Claims Department, as PHC would not be paid for them, and PHC will be facing a $150 million reduction in our rates starting in January 2021.

Dr. Leung stated attention would be paid to utilization management. For any drug conventionally self-administered and dispensed or filled through the Pharmacy Benefit, as in the patient takes it home to use, there will be UM policies and structure in place to prevent abuse. If a physician really wants to administer a drug in office that is conventionally self-administered, they will likely need to provide medical documentation for that transition and medical need. In response to an inquiry from Mr. Germano, Dr. Leung stated this would be monitored as providers have expressed concerns about hitting barriers in getting prescription paid through Medi-Cal Rx/DHCS/Magellan. The concern was PHC might see providers submitting the claims directly to PHC even though the medication conventionally and historically self-administered. PHC would try to put a stop to this practice early on in the transition.

In response to a question from Dr. Khoyi regarding the use of the word "Administered" and PAD for drugs dispensed by pharmacies, Dr. Leung said DHCS used the term PAD for any coverable outpatient drug regardless the party to which it was billed. There was discussion with DHCS early on about differentiating PADs as a medical benefit, but they were insistent that PADs are a part of the covered outpatient drug and considered a partial carve-out, meaning they would not be processed exclusively as a pharmacy or medical benefit.

With regard to there being flexibility with the transition to avoid havoc tied to prescription fills and formularies, Dr. Leung stated Managed Care Plan partners had conveyed concerns about having the carve-out implemented in the face of COVID. However, DHCS remained confident and insistent that they had done all the testing of the paths they needed to test to ensure they identified, addressed, and minimized any type of disruption foreseeable for Medi-Cal Rx. Dr. Leung noted DHCS had listened to the Managed Care Plans in terms of being more flexible with their version of a formulary, the Contracted Drug List (CDL), and so there had been a lot drugs added that were not previously on the CDL, so they would be coverable. Dr. Leung noted the CDL was not the same as a formulary. The CDL included any drug for which they had established a supplemental rebate for the State. When that rebate was established, they added the drug to the list. Besides the work on the CDL, DHCS had their transition policy. With their transition policy, DHCS would allow medications that were refilled without a prior authorization (PA) through the Health Plans, but would require a PA with Medi-Cal Rx, to fill for at least 180 days. The second element of the transition policy would be to honor any prescription for a drug with an approved PA from the Managed Care Plan through to its stated duration or at least one year (end of December 2021). The third part of the transition policy would provide a multi-year extension or PA on medications that fell into one of 15 to 20 chronic condition categories, such blood pressure, diabetes, asthma, COPD. DHCS provided a list of about 20 chronic conditions for which they would allow members to fill medication treating those chronic conditions for up to five (5) years. Those were the three factors in the transition policy they were implementing to try to mitigate some of the disruption that would occur with the transition to Medi-Cal Rx.

In response to a question from Mr. Germano regarding files for the previous PAs, Dr. Leung stated PHC was already in the process for sharing those with Magellan. There was a schedule in place with PHC's PHM, MedImpact, to send over historical claims and PA data for up to 15 months. Even after 1/1/21, the DHCS would require PHC to continue to send them pharmacy claims and pay data for the date of service on or prior to 12/31/20. PHC would send those data files for at least 30 days, but up to six months in order to capture those dates of service or claims that were in process.

With regard to enrollment or eligibility for pharmacy participation in Medi-Cal Rx, Dr. Leung said the only requirement was the pharmacy had to be enrolled with Medi-Cal, so the contract was really between the pharmacy and Medi-Cal. There was no agreement with Magellan. Magellan, a pharmacy claims processor and not a Pharmacy Benefits Manager (PBM), would just serve as the claim processor, so once they were provided the necessary information for billing, they would be ready to go. Dr. Leung noted that if a pharmacy was not enrolled in Medi-Cal now, and they provided a specialty medication that was very limited, there would be issues with the member getting the prescription filled. Medi-Cal had said they would allow specialty pharmacies to enroll, and during the enrollment process, they would allow the medications to be filled, but the pharmacy would not receive any payment until the enrollment was complete. Therefore, for a specialty pharmacy that provided very limited or exclusive limited distribution drugs, it would be an issue if they were not enrolled with Medi-Cal. The other issue would be

out-of-state pharmacies that are mail order, such as Amazon or Walgreens, etc. PHC had members using those pharmacies, especially due to COVID-19. DHCS was definitive in stating they will not be allowing out-of-state, closed-door, mail-order pharmacies to enroll. Members' prescriptions will need to be transitioned to somewhere in California or at least a Medi-Cal enrolled pharmacy. Mr. Germano wanted to know if pharmacies were ready to accept Medi-Cal's contracts and payment rates. Dr. Leung stated it was his understanding that the payment rate methodology was based on the volume. If dispensing was above 90,000 scripts, a pharmacy would get a certain rate, but if it was below 90,000 scripts, they would get a different rate. Dr. Leung believed the chain pharmacies were going to accept those rates. He thought the bigger issue would be with the specialty pharmacies, because with specialty pharmacies if you reimburse those at the acquisition cost or other pricing, the specialty pharmacy would take a loss because it costs them more to fill specialty medications. In addition, there would be the issue with the inventory involved, so it would probably cost more for the specialty pharmacy to fill and manage that prescription, then what they would see with the reimbursement rate. Dr. Leung stated DHCS had sent out a survey to try to modify their payment methodology for specialty medications. DHCS released a methodology for blood factors, but had not yet done it for specialty medication.

Mr. Germano raised concerns over Medi-Cal Rx and possibly seeing the same issue previously seen with the Fee-For-Service (FFS) drug benefit, which was a focus on the rebate versus the cost and effectiveness of the medication. Dr. Leung noted DHCS released a document describing the process for reviewing, adding, or removing drugs the CDL, which outlined they have a group within Medi-Cal that will handle the process. That group would receive the requests from manufacturers to add medications to the list and then make their decision based on safety, efficacy, and other clinical aspects, as well as costs and rebates. The group solicited recommendations and advise from what they call a Medi-Cal Drug Advisory Committee, but this Drug Advisory Committee only served in an advisory capacity. The ultimate decision would be made by this small group of people within DHCS who receive requests from manufacturers and make the decision whether to go forward with the contract. Mr. Germano asked if PHC would have a role in the drug selection process. Dr. Leung stated he was on the Medi-Cal Global Drug Utilization Review (GDUR) Board, which serves as an advisory body to DHCS, and one of the recommendations they forwarded was to have a member from the GDUR Board and/or a Managed Care Plan sit on this Medi-Cal Drug Advisory Committee, which they call MC DAC. The MC DAC provided recommendations via written reports. When any sort of request comes to the small group of people at DHCS, they sent the request to the MC DAC who should write a report within 30 days of their review and recommendations. Dr. Leung stated the GDUR Board has requested to have representation on the MC DAC to ensure some visibility and some say in terms of what drugs would be considered or would be added to the CDL.

Mr. Germano asked about the future of PHC's 340B Compliance Program, stating he understood there would be some business that would carry over into 2021. He voiced concerns that Medi-Cal Rx would not produce the benefits anticipated by DHCS, which has been the experience in other states. He would hate to lose infrastructure of PHC's 340B Compliance Program, but understood it would be difficult to continue with little activity. Ms. McFarland stated internal discussion was had regarding changes to the program versus completely dismantling to make sure Medi-Cal Rx would be successful at the state level. She noted the Governor was extremely passionate about Medi-Cal. PHC had hundreds of millions of dollars cut from its rates, which has required careful review of the budget internally to identify saving opportunities. She indicated PHC would keep full staff starting in the Pharmacy Department through January in anticipation of work that will carry over into 2021, but staffing would be reassessed as time progressed. In terms of the 340B Compliance Program itself, Dr. Leung stated the program included medications furnished through of the medical benefit, so he thought there was a role in terms of those drug claims submitted by 340B Covered Entities through the Medical Benefit. The 340B Compliance Program Policy described the process for supporting the identification of those drug claims with the UD modifier, so there were still elements of the 340B Compliance Program that PHC wanted to support 340B Covered Entities submitting 340B drug claims processed with the medical benefit.

Ms. Lujan asked if there would be any technical assistance available during the transition period that PHC can provide for the entities having to make these changes. In response to a request for clarification from Ms. Cook, Ms. Lujan said she was referring to assistance with the 340B Program and things that would be different in terms of process and changing to the State. With regard to the transition, Ms. Cook stated because the claims would be sent to Magellan instead of MedImpact, PHC would no longer have claims information and would no longer be able to assist with those claims in particular. With regard to the 340B Compliance Program, the billing cycle for 340B Compliance Program reclassification would carry into 2021. As invoices for the reclassification by 340BX Clearinghouse were sent out months after the reclassification, invoices for October, November, and December 2020, would go out during the first two quarters of 2021. Reclassification would include claims dated 12/31/20 or earlier. Claims from December 2020 would be reclassified in January 2021. With regard to the 340B Compliance Program as a whole, there would still be 340B drug claims submitted as part of the medical benefit through PHC that require the UD modifier. PHC had processes in place outlined in the agreements, policy, and external website. Ms. Cook reminded the committee that providers and/or their billing departments can put that UD modifier on when the claim was submitted. Should they require assistance in adding it after the fact, it would be a billable service. With regard to the current agreement with 340BX Clearinghouse and the infrastructure for that (which was negotiated in 2016), PHC initially discussed a possible hibernation period to see how well the transition with Magellan went. More recently, there had been conversations as to whether PHC would want to keep that agreement in play or if it should just terminated when business was completed in 2021.

In response to a question from Mr. Germano regarding payments to 340BX Clearinghouse, Ms. Cook noted PHC did not pay a fee to 340BX Clearinghouse itself. The service was paid for by the 340B Covered Entities as compliance fees. There was a set fee paid per reclassified claim.

With regard to the carve-out, Mr. Germano stated there was legal action happening, perhaps going after an injunction. He thought it was a long shot, but there might be reasons to hold on to the 340B Compliance Program. There were still possibilities here. With regard to losing the Medicaid reimbursement and the $105 million posed pool for non-hospital entities, he and Mr. Santi were involved in the allocation formula being established. He stated the way it was structured, it would not make entities whole. The 340B Covered Entities might see $0.25 on the dollar with the way it was being structured unless there were some significant changes. As PHC had experienced with its funding loss, the 340B Covered Entities would see some job losses and some capacity changes, which could affect PHC members, as well as affecting entities ability to achieve some of the QI objectives.

Mr. Germano noted the next 340B Advisory Committee meeting was scheduled for March 2021, which would be a good time to take inventory and see where we were at that point. Dr. Leung asked if the committee had any insights in terms of any activities or preparations the 340B Covered Entities were making/taking with the contracted pharmacies after 1/1/21. Mr. Santi stated their programs still involved private and Medicare patients that would go to their contract pharmacies as they always had. The carve-out will affect the volume of the claims, as they would not have PHC claims. Dr. Leung noted he was just concerned all claims would be sent to Magellan and carved out. Mr. Santi said they would convey to their 340B Administrators that the BIN and PCN for PHC was no longer valid as of 1/1/21, and they would not include the Magellan combination either.

AGENDA ITEM VII – ADDITIONAL ITEMS

Additional comments:

Ms. Cook noted an update letter would be sent to the committee in December 2020. The next 340B Advisory Committee Meeting was scheduled to take place on March 10, 2020, from 1:00 p.m. to 2:25 p.m.

Documents:

No documents were shared.

AGENDA ITEM V1II – ADJOURNMENT

Meeting Adjourned: 11:00 a.m.
Respectfully submitted: Dawn R. Cook

The foregoing minutes were APPROVED AS PRESENTED on:

_____ _____
C. Dean Germano, Committee Chairman Date

The foregoing minutes were APPROVED WITH MODIFICATION on:

_____ _____
C. Dean Germano, Committee Chairman Date

PARTNERSHIP HEALTHPLAN OF CALIFORNIA

PHC 340B Advisory Committee Meeting

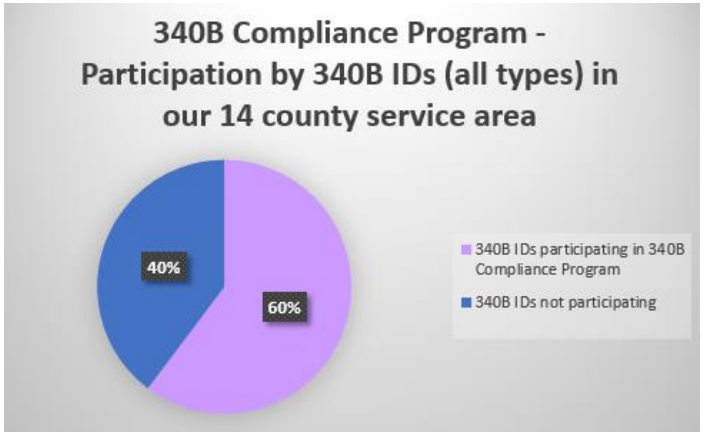
3-10-21

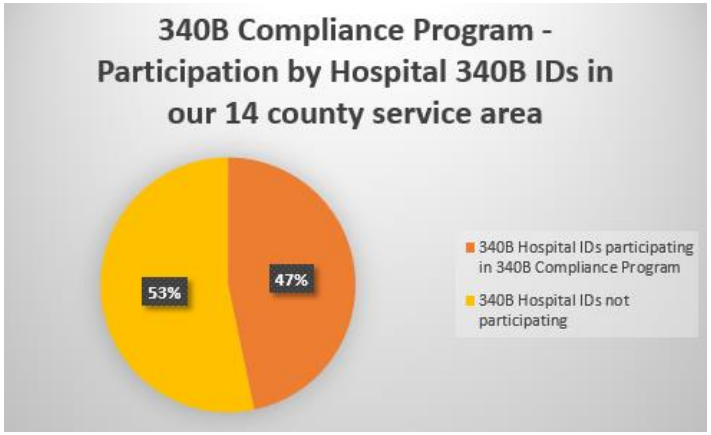
Agenda

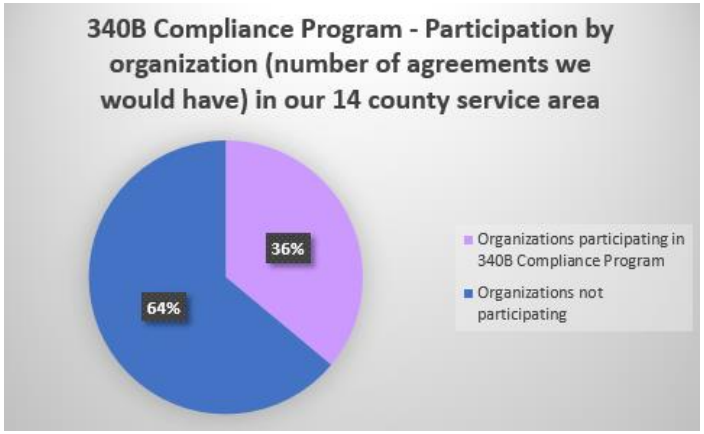
- 340B Compliance Program Update
- Medi-Cal Rx Update
- Future of PHC's 340B Compliance Program
- Future of the 340B Advisory Committee

340B Compliance Program Update

- As of 3/1/21, there are 365 340B IDs/sites (167 of which are tied to hospitals) in PHC's 14 county service area, which are eligible to participate in the 340B Program. The 365 340B IDs/sites would equate to 86 340B Compliance Program Agreements (of which 29 agreements would be tied to the 178 hospital IDs/sites).
- As of 3/1/21, there are 31 active 340B Compliance Program Agreements, so 31 340B Participating Entities. Those 31 active 340B Compliance Program Agreements cover 220 340B IDs/sites (of which 5 agreements would be tied to the 78 hospital IDs/sites).

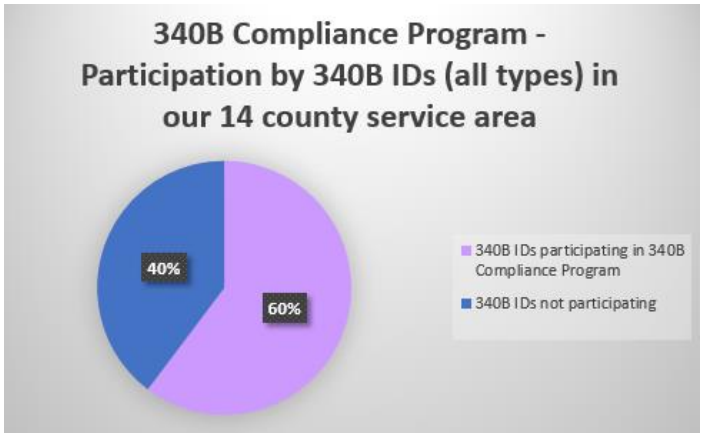


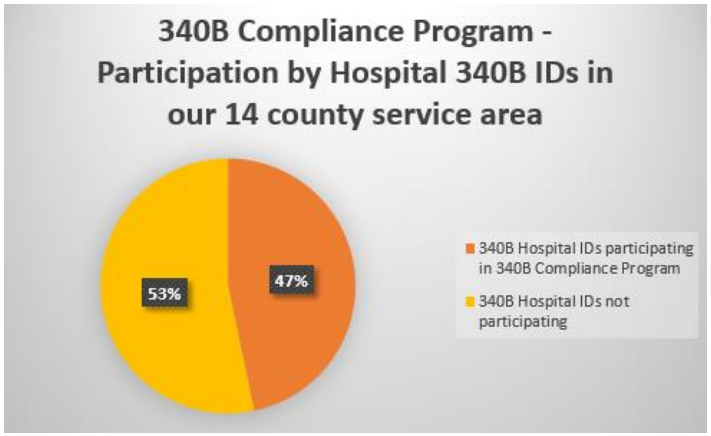


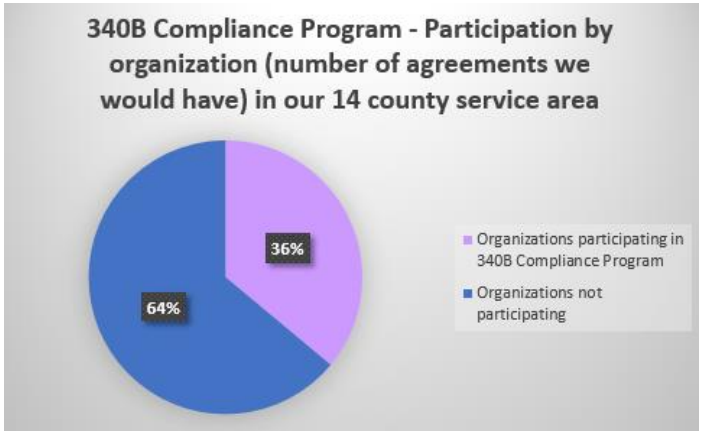


340B Compliance Program Update

- As of 4/1/21, there will be 364 340B IDs/sites (167 of which will be tied to hospitals) in PHC's 14 county service area, which will be eligible to participate in the 340B Program. The 364 340B IDs/sites would equate to 86 340B Compliance Program Agreement (of which 29 agreements would be tied to the 167 hospitals IDs/sites).
- As of 4/1/21, there will be 31 active 340B Compliance Program Agreements, so 31 340B Participating Entities. Those 31 active 340B Compliance Program Agreements will cover 218 340B IDs/sites (of which 5 agreements would be tied to the 78 hospital IDs/sites).







340B Compliance Program Update (cont'd)

- Due to the pending transition to Medi-Cal Rx, no further 340B Covered Entities have contacted PHC regarding participation in the 340B Compliance Program nor has PHC reached out to any 340B Covered Entities regarding participation in the 340B Compliance Program.
- With regard to the Claims/Financial Summary (please refer to the next two slides), due to an issue with the claims files PHC received from its Pharmacy Benefit Manager (PBM), MediImpact, the claim counts for December 2020 were much lower than other months.
  - MedImpact has implemented temporary fix for the issue, while they work on the long-term solution.
  - With the temporary fix in place, there will be a higher number of claims submitted to the State in February 2021.

Claims/Financial Summary

Claims/Financial summary for 10/1/20 to 12/31/20

10/1/20 TO 12/31/20											
Entity	340B Paid Match Claim Count	340B Reversal Claim Count	Walgreens 340B Paid Match Claim Count	Walgreens 340B Reversal Match Claim Count	Wellpartner 340B Paid Match Claim Count	Wellpartner 340B Reversal Match Claim Count	SunRx 340B Paid Match Claim Count	SunRx 340B Paid Reversal Claim Count	340BX Compliance Fee	PHC 340B Compliance Fee	Total 340B Compliance Fees
Adventist Health Mendocino Coast	86	6	0	0	0	0	0	0	$ 215.00	$ 21.50	$ 236.50
Alliance Medical Center	134	4	6	0	18	0	0	0	$ 395.00	$ 39.50	$ 434.50
CommuniCare Health Centers	318	50	0	0	0	0	0	0	$ 795.00	$ 79.50	$ 874.50
Fairchild Medical Center	942	93	0	0	0	0	0	0	$ 2,355.00	$ 235.50	$ 2,590.50
Hill Country Community Clinic	109	22	0	0	0	0	0	0	$ 272.50	$ 27.25	$ 299.75
La Clinica De La Raza	0	0	962	8	0	0	0	0	$ 2,405.00	$ 240.50	$ 2,645.50
Lake County Tribal Health Consortium, Inc.	0	0	0	0	0	0	0	0	$ -	$ -	$ -
Long Valley Health Center	24	2	0	0	0	0	0	0	$ 60.00	$ 6.00	$ 66.00
Marin Community Clinic Inc.	224	47	286	0	0	0	0	0	$ 1,275.00	$ 128.00	$ 1,403.00
McCloud Healthcare Clinic	54	1	0	0	0	0	0	0	$ 135.00	$ 13.50	$ 148.50
Mendocino Coast Clinics, Inc.	114	6	0	0	2	0	0	0	$ 287.50	$ 28.75	$ 316.25
Mendocino Community Health Clinics, Inc.	930	83	178	1	58	1	0	0	$ 2,915.00	$ 291.50	$ 3,206.50
Modoc Medical Center	34	0	0	0	0	0	0	0	$ 85.00	$ 8.50	$ 93.50
Mountain Valleys Health Centers, Inc.	174	22	0	0	0	0	0	0	$ 435.00	$ 43.50	$ 478.50
NorthBay Healthcare Group	0	0	184	1	200	0	0	0	$ 960.00	$ 96.00	$ 1,056.00
Northeastern Rural Health Clinics, Inc.	1	0	0	0	0	0	0	0	$ 2.50	$ 0.25	$ 2.75
Ole Health	0	0	0	0	400	3	893	8	$ 3,232.50	$ 323.25	$ 3,555.75
Open Door Community Health Centers	0	0	675	0	1,076	15	0	0	$ 4,377.50	$ 437.75	$ 4,815.25
Redwoods Rural Health Center	194	25	74	1	2	0	0	0	$ 675.00	$ 67.50	$ 742.50
Shasta Community Health Centers	1,152	132	1,174	7	902	1	0	0	$ 8,070.00	$ 807.00	$ 8,877.00
Shingletown Medical Center	12	0	0	0	0	0	0	0	$ 30.00	$ 3.00	$ 33.00
Sonoma Valley Community Health Center	77	13	0	0	0	0	0	0	$ 192.50	$ 19.25	$ 211.75
Winters Healthcare Foundation	61	11	0	0	0	0	0	0	$ 152.50	$ 15.25	$ 167.75
QUARTER TOTALS:	4,640	517	3,539	18	2,658	20	893	8	$ 29,322.50	$ 2,932.75	$ 32,255.25

TOTAL 340B CLAIMS RECLASSIFIED BY 340BX CLEARINGHOUSE THIS QUARTER:	11,730

Claims/Financial Summary (cont'd)

Claims/Financial summary for 10/1/20 to 12/31/20

Month	CRX 340B Paid Match Claim Count	CRX 340B Reversal Claim Count	Walgreens 340B Paid Match Claim Count	Walgreens 340B Reversal Match Claim Count	Wellpartner 340B Paid Match Claim Count	Wellpartner 340B Reversal Match Claim Count	SunRx 340B Paid Match Claim Count	SunRx 340B Paid Reversal Claim Count	340BX Compliance Fee	PHC 340B Compliance Fee	Total 340B Compliance Fees
October-20	2424	219	1466	14	668	14	447	1	$12,512.50	$1,251.25	$13,763.75
November-20	1997	298	2002	4	1970	6	443	7	$16,030.00	$1,603.50	$17,633.50
December-20	219	0	71	0	20	0	3	0	$780.00	$78.00	$858.00
TOTAL:	4,640	517	3,539	18	2,658	20	893	8	$29,322.50	$ 2,932.75	$ 32,255.25

TOTAL 340B CLAIMS RECLASSIFIED BY 340BX CLEARINGHOUSE THIS QUARTER:	11,730

Medi-Cal Rx Update

- On February 17, 2021, DHCS announced it would be delaying the planned Go Live date of April 1, 2021 for Medi-Cal Rx because of the need to review new conflict avoidance protocols submitted by Magellan Health, the project's contracted vendor. DHCS anticipates providing further information in May 2021.
- Medi-Cal Rx Provider Manual is currently available on the Medi-Cal Rx portal.
- Per Medi-Cal Rx Provider Manual, "Providers billing drugs purchased pursuant to the 340B program (covered entities and contracted pharmacies) are required to bill an amount not to exceed the entity's Actual Acquisition Cost (AAC) plus dispensing fee for the drug."
- Providers will be reimbursed the lesser of the billed amount (AAC plus Profession Dispensing Fee) or the maximum rate permitted.

Future of PHC's 340B Compliance Program

- Post Medi-Cal Rx, PHC will continue to support 340B Program Compliance for medication services where PHC has financial responsibility.
- PHC is reviewing its current fee structure for the reclassification of 340B medication services billed to PHC's medical benefit to determine if modifications will be needed.
- What is the committee's position on our possibly standardizing re-classification and sun-setting the program?

Future of the 340B Advisory Committee

- How are your organizations moving forward toward the carve-out?
- Potential disbanding of the committee in light of Medi-Cal Rx.

Updates and Meetings

340B Advisory Committee Schedule

2021

- Update Letters:
  - June 2021
- Meetings:
  - September 16, 2021, 1 p.m. to 2:25 p.m.

Questions?

Thank You