

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 Edward Hightower, CPhT, Associate Director of Dawn R. Cook, Pharmacy Services Program Manager

Patti McFarland, CFO

Robert L. Moore, MD, MPH, MBA, CMO Amy Turnipseed, Senior Director of External and

Regulatory Affairs

Pharmacy Operations

FROM: Dawn R. Cook DATE: September 19, 2019

340B ADVISORY COMMITTEE MEETING FOR 2019 **SUBJECT:**

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, September 25, 2019 TIME: 10:00 a.m. - 11:25 a.m.

LOCATIONS: Video Conferencing and/or Conference Call

Partnership HealthPlan of CA PHC Redding Office Petaluma Health Center. Inc. Napa/Solano Conference Rooms Burney Falls Conference 1455-D N. McDowell Blvd. 4665 Business Center Drive Room Petaluma, CA 94954 Fairfield, CA 94534 2525 Airpark Drive *Ask for Hazel, 707-559-7519 *Please park in front of the building. Redding, CA 96001 *Ask the receptionist to call Dawn R. Cook or *Ask for Atim p'Oyat Debbie Beane

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

Welcome / Introductions									
	Торіс	Lead	Page #	Time					
I.	Public Comments	Speaker	N/A	10:00 am					
II.	Opening Comments	Chair	N/A	10:05 am					
III.	Approval of Minutes	Chair	3 - 6	10:10 am					
IV.	Standing Agenda Items								
1.	Partnership HealthPlan of California (PHC) 340B Compliance Program Update	Dawn R. Cook	9 - 12	10:15 am					
V.	Old Business								
1.	N/A	N/A	N/A	N/A					
VI.	New Business								
1.	340B Compliance Program Agreement and DHCS	Dawn R. Cook	13	10:25 am					
1.	Governor's Executive Order	Dawn R. Cook	14	10:50 am					
VII.	Additional Items								
1.	N/A	N/A	N/A	N/A					
VIII.	Adjournment								



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
April 18, 2019 – 2:00 p.m. to 2:55 p.m.

Commissioners Present / via Teleconference (TC):

Viola Lujan (Acting Chair); Daniel Santi; Amir Khoyi, PharmD; Kathryn Powell

Staff Present:

Sonja Bjork, COO; Robert Moore, MD, MPH, MBA, CMO; Stan Leung, PharmD; and Dawn R. Cook

PUBLIC COMMENTS

None presented.

WELCOME/INTRODUCTION

Brief introductions were made.

AGENDA ITEM I – OPENING COMMENTS

No opening comments were made.

AGENDA ITEM II - APPROVAL OF MINUTES

The minutes from the 340B Advisory Committee Meetings on 3/15/19 were approved with one correction. On page 2 of the minutes under Agenda Item III, Standing Agenda Items, there were four sentences under "Claims/Financial Summary" deleted as errors were found in the committee's calculations. There were no committee members who opposed or abstained.

AGENDA ITEM III – STANDING AGENDA ITEMS

PHC 340B Compliance Program Update

340B Compliance Program Update:

Ms. Cook noted that as of 4/1/19, there were 334 340B Covered Sites/IDs within PHC's 14 county service area that were eligible to participate in the 340B Program, of which 144 were hospitals. PHC had 27 executed 340B Compliance Program Agreements, which cover 159 active 340B Sites/IDs, of which 42 Sites/IDs were hospitals.

At that point, PHC was in discussions with three (3) organizations regarding joining PHC's 340B Compliance Program. With the addition of those three (3) organizations, there would be six (6) additional executed 340B Compliance Program

Agreements, which covered 37 active 340B Sites/IDs, of which 32 Sites/IDs were hospitals. If all six agreements were executed, PHC would have 33 executed Compliance Program Agreements, which covered 196 active 340B Sites/IDs, of which 74 sites/IDs would be hospitals. Ms. Cook noted that if all six (6) new 340B Compliance Program Agreements were executed, the percentage of organizations participating in the PHC 340B Compliance Program would go from 34 percent to 42 percent.

Ms. Lujan asked about PHC bringing on new entities to the 340B Compliance Program. Dr. Moore acknowledged that PHC had held off due to the ongoing changes at the state level. However, the updated 340B Compliance Program Agreement was reviewed by the 340B Advisory Committee as the last step, as the Physician Advisory Committee (PAC) had approved it. Ms. Cook stated that since the Executive Order's release in January 2019, PHC had received inquiries about joining the program while it was also working on the new retro reclassification process. PHC decided to move forward, business as usual, and not continue to prevent 340B Covered Entities from joining the 340B Compliance Program, as the final outcome from the Executive Order was still to be determined.

As of 4/15/19, invoices had been delivered to 21 of the 340B Participating Entities on a monthly basis. Marin Community Clinic received its first invoice since January 2017, as it contracted with Rite-Aid pharmacies, requiring claims be reclassified by 340BX Clearinghouse. The invoice delivered on 4/3/19 was for claims reclassification that occurred in December 2018. As of 3/31/19, there were 20 340B Participating Entities making monthly wire transfers to the 340BX Trust Account based on the invoices they received for each respective month.

Claims/Financial Summary:

Ms. Cook reviewed the claims and financial information regarding the quarter from 10/1/18 to 12/31/18.

For the 10/1/18 to 12/31/18 quarter, there were 9,202 340B Paid Matched Claims, 7,528 Walgreens 340B Paid Match Claims, 3,830 SunRx Paid Match Claims for Ole Health, and 5,593 Wellpartner 340B Paid Match Claims for the quarter, for a total of 26,153 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 didn't include Physician-Administered Drug (PAD) claims.

In response to a question from Ms. Lujan, Ms. Cook that if a drug was purchased through the 340B Program and an additional discount was taken by the State, when PHC reclassifies an older claim, the State can credit the manufacturer for its discount, thereby negating the duplicate discount. It was very similar to a different process PHC had for the PAD claims wherein if the UD modifier was added after the fact, and PHC's Claims Department sent it on to the State for updating, the State's Rebate Department would credit the manufacturer for the State's discount when they go to invoice for their backend Medicaid rebates.

The Total 340B Compliance Fees were \$71,920.75. Of that total, \$65,382.50 were 340BX Compliance Fees and \$6,538.85 were PHC 340B Compliance Fees.

AGENDA ITEM IV - OLD BUSINESS

340B Compliance Program Agreement:

On March 15, 2019, the 340B Advisory Committee met with the focus being changes to the 340B Compliance Program as reflected in an updated draft of the 340B Compliance Program Agreement. With the updated draft of the 340B Compliance Program Agreement, one goal was to move forward with inviting additional 340B Covered Entities to join PHC's 340B Compliance Program.

As noted on March 15, 2019, changes to the agreement included the submission of requests for the addition of the UD modifier (340B Retro Reclassification Process), removal of all references to the Generic Prescription Rate and Primary Care Quality Improvement Program (QIP), and updates to the Attachments.

The 340B Advisory Committee requested a special meeting be held after the updated draft was finalized and approved in conjunction with approval of the updated 340B Compliance Program Policy by all required committees.

PHC's 340B Team updated the 340B Compliance Program Policy, which was reviewed and approved by the Internal Quality Improvement (IQI) Committee on April 9, 2019, the Physician Advisory Committee (PAC) on April 10, 2019, and the Pharmacy and Therapeutics (P&T) Committee on April 11, 2019. The updated 340B Compliance Program Policy including the draft of the 340B Compliance Program Agreement would be reviewed by the Board on April 24, 2019, as part of the PAC minutes.

Dr. Moore noted he had made a request to ensure the approved updated 340B Compliance Program Policy would be posted to PHC's external website as soon as possible following review by the Board. Ms. Cook noted links to the updated 340B Compliance Program Policy would also appear on the 340B Compliance Program page of PHC's external website.

In response to an inquiry from Ms. Lujan, Dr. Moore stated the updated 340B Compliance Program Policy would be reviewed by the Board as part of the packet from the PAC meeting, as the policy was approved by PAC. Ms. Cook noted PAC was considered the actual approval for the 340B Compliance Program Policy. Ms. Bjork stated that if someone on the Board wanted to pull out the policy for specific review, they could.

The committee discussed a possible All-Plan Letter (APL). Dr. Moore stated that per Local Health Plans of California (LHPC) because of the Governor's Executive Order and pharmacy proposal, the All-Plan Letter previously sent to PHC was dead, and the State was not working on it. Dr. Moore stated we might see the APL revived in 2020. Ms. Bjork stated PHC was taking the action based on the information currently available.

As the updated draft 340B Compliance Program Agreement was approved, all current 340B Compliance Program Agreements would be terminated, and a new 340B Compliance Program Agreement using the updated draft would be put into place for each respective 340B Participating Entity with no disruption of service. A draft termination letter had been prepared and was ready for use with the updated draft 340B Compliance Program Agreement.

Ms. Cook noted this was something similar to what was done in 2016. The 340B Participating Entities would get the termination letters, as well as the draft of the updated 340B Compliance Program Agreement at the same time to sign together stating the old agreement terminated at the end of one month. Ms. Cook stated these will likely be retroactive to April 1, 2019. Ms. Cook stated HRSA works on a quarterly schedule, so PHC tended to have everything on a quarterly schedule. PHC followed the same process in June 2016, using April 1, 2016 as the effective date of the updated 340B Compliance Program Agreements. Ms. Cook stated it would not affect any of the current 340B Participating Entities, including Marin General Hospital who was requesting some assistance with reclassification of some PAD claims. Because their request was submitted in December 2018, and PHC was still working with them get the correct information, which would not affect any kind of payment or process.

Ms. Cook let the committee know there was a new 340B Covered Entity that wanted to join the 340B Compliance Program, Lake County Tribal Health Consortium (LCTHC). LCTHC had been working with the State, but as Dr. Khoyi pointed out at the last 340B Advisory Committee Meeting, the State was no longer assisting them with correction of older claims. LCTHC had claims going back to April 2018 that needed to be reclassified as 340B. Ms. Cook noted Robert Shun, the Chief from the State's Medicaid Rebate Department, was the one asking PHC to help LCTHC. Ms. Cook stated she let Mr. Shun know PHC was working towards the goal of being able to assist LCTHC. Ms. Cook would verify the terms of PHC's agreement with 340BX Clearinghouse to verify that they would reclassify claims dated prior to the effective date of the executed 340B Compliance Program Agreement with LCTHC.

Ms. Cook stated the next steps were for the updated 340B Compliance Program Policy to be reviewed by the Board as part of the PAC minutes on April 24, 2019. Changes to the external website and PHC's Provider Manual were started and reflected the change tied to the 340B Retro Reclassification which was now a billable service. The billable service was outlined in the updated 340B Compliance Program Agreement, the 340B Compliance Program Policy, and on PHC's external website, all of which noted the addition of the UD modifier was separate request from how the Claims Department handled requests to correct PAD claims.

The committee discussed the changes to the 340B Compliance Program Agreement and updating the 340B Participating Entities. Ms. Cook stated that by mutual consent, the older agreement could be terminated when the new agreement was being signed. Dr. Moore stated PHC would include cover letter or e-mail language to make sure everything was clear, especially given the current climate regarding 340B in California.

AGENDA ITEM V – NEW BUSINESS

There was no new business to address.

AGENDA ITEM VI – ADDITIONAL ITEMS

Additional comments:

Ms. Cook noted an update letter would be sent out for June 2019. There was a 340B Advisory Committee Meeting scheduled for 9/25/19 from 10:00 AM to 11:25 AM.

Documents:

- 340B Compliance Program Agreement Updated 2019 draft
- Termination letter for 340B Compliance Program Agreements 2019

AGENDA ITEM V1I – ADJOURNMENT

Meeting Adjourned:	2:35 p.m.	
Respectfully submitted:	Dawn R. Cook	
The foregoing minutes w	ere APPROVED AS PRESENTED	on:
Viola Lujan, Act	ing Committee Chairman	Date
The foregoing minutes w	ere APPROVED WITH MODIFIC	ATION on:
Viola Luian Act	ing Committee Chairman	Date



PARTNERSHIP HEALTHPLAN OF CALIFORNIA

PHC 340B Advisory Committee Meeting

Agenda

• 340B Compliance Program Update

• 340B Compliance Program Agreement and DHCS

• Governor's Executive Order

340B Compliance Program Update

- As of 9/19/19, there were 342 active 340B Sites/IDs within PHC's 14 county service area, 150 of which were hospitals. Those 342 active 340B Sites/IDs would equate to approximately 79 340B Compliance Program Agreements.
- As of 9/19/19, there were 29 executed 340B Compliance Program Agreements covering 166 active 340B Sites/IDs, 44 of which are hospitals.





- As of 10/1/19, there will be 328 active 340B Sites/IDs within PHC's 14 county service area, 148 of which were hospitals. Those 328 active 340B Sites/IDs would equate to approximately 79 340B Compliance Program Agreements.
- As of 10/1/19, there will be 29 executed 340B Compliance Program Agreements covering 162 active 340B Sites/IDs, 43 of which are hospitals.





340B Compliance Program Update (cont'd)

- PHC was previously in discussions with three (3) organizations regarding on-boarding to the 340B Compliance program.
 - One (1) organization, Jerold Phelps Community Hospital, has put plans on hold, but will contact PHC after the start of 2020.
 - > PHC is still waiting on input from the other two (2) organizations.
 - With the addition of these two (2) organizations, we would add:
 - > Five (5) additional 340B Compliance Program Agreements
 - Adventist Health Ukiah Valley
 - ➤ Community Medical Centers
 - > St. Helena Hospital, DBA Adventist Health St. Helena
 - > St. Helena Hospital Clearlake
 - > Willits Hospital Inc.
 - > Those agreements cover 36 active 340B Sites/IDs, 33 of which are hospitals.
 - If all five (5) agreements are executed by October 1, 2019 (as an example), there would be 34 executed 340B Compliance Program Agreements covering 198 active 340B Sites/IDs, 76 of which would be hospitals.

Claims/Financial Summary

Claims/Financial summary for 4/1/19 to 6/30/19

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
Alliance Medical Center	19	0	46	0	0	0	0	0	\$ 162.50	\$ 16.25	\$ 178.75
CommuniCare Health Centers	455	3	584	1	0	0	0	0	\$ 2,597.50	\$ 259.75	\$ 2,857.25
Fairchild Medical Center	438	9	0	0	0	0	0	0	\$ 1,095.00	\$ 109.50	\$ 1,204.50
Hill Country Community Clinic	300	3	0	0	0	0	0	0	\$ 750.00	\$ 75.00	\$ 825.00
La Clinica De La Raza	0	0	1,811	5	0	0	0	0	\$ 4,527.50	\$ 452.75	\$ 4,980.25
Lake County Tribal Health Consortium, Inc.	983	0	0	0	0	0	0	0	\$ 2,457.50	\$ 245.75	\$ 2,703.25
Long Valley Health Center	98	0	0	0	0	0	0	0	\$ 245.00	\$ 24.50	\$ 269.50
Marin Community Clinic Inc.	591	3	0	0	0	0	0	0	\$ 1,477.50	\$ 147.75	\$ 1,625.25
McCloud Healthcare Clinic	99	0	0	0	0	0	0	0	\$ 247.50	\$ 24.75	\$ 272.25
Mendocino Coast Clinics, Inc.	262	2	0	0	0	0	0	0	\$ 655.00	\$ 65.50	\$ 720.50
Mendocino Coast District Hospital	110	1	0	0	0	0	0	0	\$ 275.00	\$ 27.50	\$ 302.50
Mendocino Community Health Clinics, Inc.	936	8	435	1	0	0	0	0	\$ 3,427.50	\$ 342.75	\$ 3,770.25
Mountain Valleys Health Centers, Inc.	198	1	0	0	0	0	0	0	\$ 495.00	\$ 49.50	\$ 544.50
Northeastern Rural Health Clinics, Inc.	283	0	0	0	0	0	0	0	\$ 707.50	\$ 70.75	\$ 778.25
Ole Health	0	0	0	0	0	0	6,110	29	\$ 15,275.00	\$ 1,527.50	\$ 16,802.50
Open Door Community Health Centers	0	0	2,849	3	4,081	37	0	0	\$ 17,325.00	\$ 1,732.50	\$ 19,057.50
Petaluma Health Center	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -
Redwoods Rural Health Center	109	2	0	0	0	0	0	0	\$ 272.50	\$ 27.25	\$ 299.75
Santa Rosa Community Health Centers	1	0	0	0	0	0	0	0	\$ 2.50	\$ 0.25	\$ 2.75
Shasta Community Health Centers	1,617	12	3,837	7	0	0	0	0	\$ 13,635.00	\$ 1,363.50	\$ 14,998.50
Shingletown Medical Center	36	1	10	0	0	0	0	0	\$ 115.00	\$ 11.50	\$ 126.50
Solano, County of	6	0	0	0	0	0	0	0	\$ 15.00	\$ 1.50	\$ 16.50
Sonoma Valley Community Health Center	101	1	0	0	0	0	0	0	\$ 252.50	\$ 25.25	\$ 277.75
Winters Healthcare Foundation	74	0	0	0	0	0	0	0	\$ 185.00	\$ 18.50	\$ 203.50
QUARTER TOTALS:	6,716	46	9,572	17	4,081	37	6,110	29	\$ 66,197.50	\$ 6,619.75	\$ 72,817.25

26,479

TOTAL 340B CLAIMS RECLASSIFIED BY 340BX CLEARINGHOUSE THIS QUARTER:

Claims/Financial Summary (cont'd)

Claims/Financial summary for 4/1/19 to 6/30/19

Month	CRX 340B Paid Match Claim Count	Reversal	_	Walgreens 340B Reversal Match Claim Count	Match	340B Reversal Match Claim	Match	SunRx 340B Paid Reversal Claim Count	340BX Compliance Fee	PHC 340B Compliance Fee	Total 340B Compliance Fees
April-19	1,042	9	818	0	763	13	1,806	7	\$11,072.50	\$1,107.25	\$12,179.75
May-19	30	0	2,998	0	38	0	242	0	\$8,270.00	\$827.00	\$9,097.00
June-19	5,644	37	5,756	17	3,280	24	4,062	22	\$46,855.00	\$4,685.50	\$51,540.50
TOTAL:	6,716	46	9,572	17	4,081	37	6,110	29	\$66,197.50	\$ 6,619.75	\$ 72,817.25

TOTAL 340B CLAIMS RECLASSIFIED BY 340BX CLEARINGHOUSE THIS QUARTER:

26,479

340B Compliance Program Agreement and DHCS

- As outlined in the 340B Advisory Committee Update Letter for June 2019, PHC submitted the updated 340B Compliance Program Agreement to DHCS for review and approval on April 25, 2019.
- On June 25, 2019, PHC received a response from Paul Nguyen, PharmD, MBA, Pharmaceutical Consultant II, for the Pharmacy Operations Branch at DHCS. Dr. Nguyen provided "findings" from his review and requested a response no later than close of business (COB) on July 2, 2019.
- After internal discussions, on June 28, 2019, PHC requested a 60 day extension in order to submit a draft of the updated 340B Compliance Program Policy and compile the data element list requested in the "findings."
- On July 3, 2019, Dr. Nguyen indicated that PHC was granted the 60 day extension and submission of requested information would be due by close of business (COB) on September 5, 2019.
- On September 5, 2019, PHC submitted the draft of the updated 340B Compliance Program Policy, as well as the list of Contract Pharmacies which included all data fields requested by DHCS which were available to the public.
- On September 12, 2019, Dr. Nguyen spoke with Stan Leung, PharmD, Director of Pharmacy Services at PHC. Per that call and a follow-up e-mail outlining that call, Dr. Nguyen indicated DHCS required additional information. PHC was asked to provide the physical location/address for all contracted pharmacies and their associated covered entities within PHC's network, as well as, the contract pharmacy inventory type (virtual or physical). Dr. Nguyen indicated PHC should inform DHCS as to how much time will be needed to gather the additional information.
- PHC will request additional time from DHCS to complete their request.

Governor's Executive Order

- 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.
- The DHCS was to complete a review of all State purchasing initiatives and consider additional options to maximize the State's bargaining power, including the Medi-Cal program by July 12, 2019.
- On August 22, 2019, DHCS released the Request for Proposal (RFP) #19-96125 Medi-Cal Rx in response to Executive Order N-01-19. https://www.dhcs.ca.gov/provgovpart/rfa rfp/Pages/CSBmcrxHome.aspx
 - The RFP solicited proposals for the takeover, operation and eventual turnover of the administration of the Medi-Cal FFS pharmacy services from firms that would be able to provide administrative services for managing the FFS pharmacy benefit to Medi-Cal beneficiaries.
 - > DHCS intends to make a single contract award for Medi-Cal Rx services to the most responsive and responsible firm earning the highest score.
 - > RFP #19-96125 included a time schedule for the various stages of the process.
 - Proposal Due Date: October 1, 2019
 - Notice of Intent to Award Posted: November 7, 2019
 - Appeal Deadline: November 15, 2019
 - Contract Award Date: November 18, 2019
 - Proposed Start Date Agreement: November 18, 2019 or when approved by DHCS, whichever is later

Updates and Meetings

340B Advisory Committee Schedule 2019

Meetings:

September 25, 2019 from 10:00 AM to 11:25 AM

2020

Meetings:

Meetings for 2020 will be scheduled in the next month

Questions?

Thank You