

(Insert Name of Covered Entity)

POLICY & PROCEDURES MANUAL

USE OF SECTION 340B PROGRAM SAVINGS

POLICY BACKGROUND

The Section 340B Program was established to permit covered entities “to stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services. Covered entities are permitted to use the benefit of these savings in any way they choose. There is no legal requirement for covered entities to pass 340B savings directly to patients, however, it is OPA’s desire that these saving in some way be used to help those patients in need. Because the 340B statute does not restrict how covered entities use the savings, entities may consider using these funds to expand the number of patients served, increase the scope of services offered to low-income and other patients, invest in capital, cover administrative costs, or for any other purpose. Even though there are no requirements under the 340B statute as to how these savings should be used, covered entities that are federal grantees (such as FQHCs, Ryan White facilities, STD clinics, etc.) may be required to use 340B savings in ways that are consistent with their grant requirements. Also, nonprofit hospitals are required to conduct a community needs assessment and document their community benefits in Form 990 annual filings. The use of 340B savings for indigent patients can demonstrate compliance with the IRS requirements. OPA has published comments in its guidelines that state that the intent of the Section 340B program is that the savings and benefits of the program were intended to accrue to the covered entities. The mission of the Office of Pharmacy is to optimize the value of the Section 340B Program and provide assistance in providing clinically and cost effective pharmacy services to improve medication use and patient care for covered entities and eligible patients. Some of the benefits of this program and its uses have been implemented by covered entities for the following:

- Use of program savings to reduce the price of drugs for low-income patients,
- Increase patient access to pharmacy services,
- Demonstration of Community Needs Compliance
- Expand the selection of drugs available to patients,
- Enhance pharmacy and other health care services,
- Ability to serve more patients
- Development of Hospital Sponsorship Programs
- Development of Patient Assistance Programs
- Development of Drug Replacement Programs
- Development of Clinical Pharmacy Services
- Fund investment in facilities expansion,
- Fund technology upgrades
- Provide Service expansion that benefit all patients, including those who are financially disadvantaged.
- Offset losses in serving the indigent and vulnerable patient populations;
- Increase and/or improve services at the covered entity;
- Offset losses in other departments (other than pharmacy);
- Provide Integrated Clinical Pharmacy Services
- Provide Medication Therapy Management (MTM) clinics
- Provide for a Med Box Program

- Increase Uninsured and underinsured patient services and prescriptions
- Offset costs of providing eligible patients home delivery of eligible outpatient drugs
- Provide for Continual Service Expansion

The intention of this policy is to develop a set of policies and guidelines that aligns with the mission of (INSERT NAME OF COVERED ENTITY) that will be used to help the uninsured and vulnerable patient population receive needed health care services. These programs and services will be partially funded from the savings generated through (INSERT NAME OF COVERED ENTITY) participation in the Section 340B Program.

(INSERT NAME OF COVERED ENTITY) POLICY :

Savings generated from the Section 340B Program shall be used to offset the operational costs of (INSERT NAME OF COVERED ENTITY), to further its mission and to provide affordable healthcare to the uninsured and vulnerable communities in which it serves, in the following areas:

(ADD FROM LIST ABOVE OR ADD YOUR OWN)

- (1)
- (2)
- (3)
- (4)
- (5)

APPROVALS:

Chairman of the Board

Executive Director

Vice President - Operations

Vice President - Finance

Approval Date :

Review Date :

Amendment Date :