

# Health System Fortifies 340B Regulatory Profile to Boost Audit Readiness and Protect Eligibility



## CHALLENGE

The departure of Palomar's 340B manager left a program knowledge gap that had to be addressed. The pharmacy director knew it would take time to find a qualified replacement. In the meantime, he wanted to ensure that the 340B program remained compliant.

## SOLUTION

Palomar hired AmerisourceBergen's Pharmacy Healthcare Solutions (PHS) team to oversee and maintain its 340B program. During the interim period, consultants reviewed the accuracy and treatment of 340B pharmaceutical data. They also implemented solutions and processes to further lower the risk of non-compliance.

## OUTCOME

- PHS 340B consultants:
  - Effectively managed 340B program during Palomar's search for a new manager
  - Strengthened the health system's regulatory profile to reduce risk and protect 340B program eligibility
  - Revised processes to effectively identify potential compliance gaps
  - Delivered a detailed corrective action plan to address identified issues
  - Rendered training and support to seamlessly transition the 340B program to a self-sufficient Palomar team

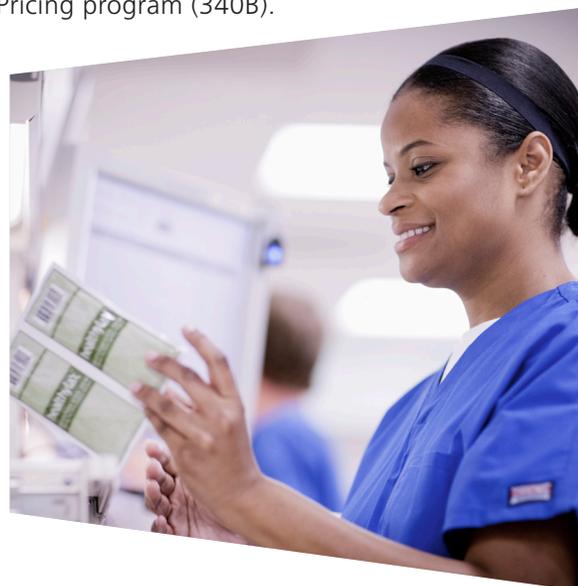


## Palomar Health

Palomar Health (Palomar) is among the largest public healthcare districts in the state of California. It includes a network of hospitals and facilities that deliver wide-ranging ambulatory and critical-care services in the San Diego counties. This averages to over 337,000 Emergency Department, inpatient discharge and outpatient visits per year.

As a public healthcare provider, Palomar offers financial assistance to uninsured and under-insured patient populations. And while the healthcare system devotes \$113 million to the community via programs and services, it utilizes government programs to expand care to area residents. That includes the 340B Drug Pricing program (340B).

"340B allows us to provide affordable medications to many more at-risk area residents," says Jeremy Lee, PharmD, BCPS, District Director of Pharmacy Services at Palomar Health.



## CHALLENGE

### ***Maintaining a Strong 340B Compliance Profile***

While Palomar's 340B utilization increases access to the community, it also delivers millions of dollars in savings to promote its financial sustainability. However, with that benefit comes the responsibility to meet compliance standards. In practice, that means hiring people with 340B expertise to successfully navigate a complex maze of regulatory requirements, technologies and data streams.

"When our 340B manager gave notice, we faced a program knowledge gap that needed to be overcome," recalls Lee. "Finding a qualified replacement would take time; I didn't want to risk any potential compliance issues in the interim."

What Lee needed was someone to oversee, maintain and administer the health network's 340B program. Among other things, that included management of Palomar's 340B split-billing software solution, RxWorks™.

"I wanted to sustain the accuracy of capturing and tracking meds and ensure that we claimed eligible rebates and discounts," says Lee. "If you're not closely monitoring and managing that process, things can go haywire."



***AmerisourceBergen's 340B consultants helped us maintain compliance when our program manager left. Their expertise further helped us to strengthen our regulatory profile, increase our audit readiness and protect a valuable income stream."***

Jeremy Lee, PharmD, BCPS,  
District Director of Pharmacy  
Services, Palomar Health

## SOLUTION

### ***AmerisourceBergen Pharmacy Healthcare Solutions (PHS) Consulting Services***

Armed with a detailed list of criterion, Lee met with PHS' 340B consultants. "We hired them because they demonstrated the in-depth 340B expertise we were looking for," recalls Lee. "That gave me the confidence that they would help us maintain a compliant 340B program."

The consulting contract covered three of Palomar's main facilities. Two are in Escondido, CA (the 315 bed Palomar Medical Center and the 319 bed Palomar Health Downtown Campus) while the 107 bed Pomerado Hospital is located in Poway, CA. The PHS 340B consultants were tasked to oversee the maintenance of Palomar's 340B Drug Procurement program and to ensure adherence to its regulatory requirements.

Deliverables included:

- Overseeing RxWorks' split-billing activities
- Ensuring medication utilization files uploaded correctly to RxWorks on a daily basis
- Ensuring that wholesaler files and product information uploaded properly
- Developing a written corrective action plan to use should errors be identified
- Monitoring accumulation data to identify and correct any potential errors
- Contributing strategic and tactical expertise to promote compliance and efficiency, and to optimize the number of legitimate 340B claims
- Providing training and support to the 340B new hire to ensure the smooth transition and subsequent self-management of the program

To safeguard compliance, special attention was devoted to Palomar's pharmaceutical accumulation data. PHS 340B consultants shared best practices for how to identify potential errors. But more importantly, they helped Lee's team tighten their processes for when and how to make adjustments to the accumulator. That led to more detailed and accurate reports to aid Palomar's oversight and internal audit procedures.

## OUTCOME

### ***Maintained a Strong 340B Compliance Profile During Transition Period***

The PHS consultants helped preserve Palomar's 340B regulatory profile during the search for a new manager. They provided valuable stability to the program through oversight of daily activities to see that 340B actions were monitored for accuracy and completeness. "Knowing that someone with the knowledge and expertise to manage 340B activities was behind the scenes made that time much less stressful," says Lee. "And it allowed me to focus on other mission-critical things as well."

### ***Further Strengthened 340B Regulatory Profile to Protect Revenue***

AmerisourceBergen's PHS 340B consultants applied best practices and extensive experience to help Palomar identify potential issues.

"They were extremely efficient and adept at collecting data from RxWorks and presenting it in a way that intuitively led to meaningful decisions," says Lee. "What I liked most was their ability to zero in on a potential issue, describe what was going on and to offer solutions to correct it."

PHS consultants also helped Lee identify inconsistencies with RxWorks' database feeds. And they scrutinized accumulator totals to pinpoint and resolve potential errors.

"The PHS team provided the detailed steps necessary to set up files, manipulate data and take corrective actions," explains Lee. "We teamed up to revise our processes, close any compliance gaps, and to document a corrective action SOP. Consequently, our readiness level for 340B audits has never been higher."

### ***Delivered Strategic and Tactical 340B Guidance to Impact Executives' Decisions***

Beyond the day-to-day 340B program oversight, PHS consultants provided actionable guidance to the health system's executives. For example, they participated in 340B Committee meetings to share program expertise.

"They shared easy-to-digest reports on our 340B activities," recalls Lee. "That gave us a clear picture of what was going on. But what really impressed me was their depth of knowledge on both a strategic and tactical level."

### ***Trained and Supported 340B Manager New Hire to Foster Self Sufficiency***

To close out the engagement, PHS 340B consultants provided training and support to Palomar's new hire 340B Program Manager.

"The training set us up to be self-sufficient in managing our revitalized 340B program oversight," says Lee. "And I have a high level of confidence in our ability to do so moving forward."

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