



# 340B Drug Discount Program:

## *How California CHCs Use Savings to Expand Services for Low Income Patients December 2020*

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The 340B prescription drug program enables health centers to stretch scarce federal resources to underserved patients and provide comprehensive services beyond the reach of the Medi-Cal program. It is a vital lifeline for safety-net providers across the state.

Health centers may choose to provide access to affordable medication to their 340B eligible patients by entering into a contract with an “outside” pharmacy – typically a pharmacy that is not owned or operated by the 340B covered entity. Health centers may utilize multiple contract pharmacies to increase patient access to 340B drugs while using the 340B savings generated to expand health care services.

***By law, and by mission, health centers invest 340B savings into activities that advance their goal of ensuring affordable access to critical health services for medically underserved patients. Creating access to health care is what Alliance is all about.***

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### ***Overview: Alliance Medical Center of Healdsburg & Windsor & Our Patients***

- Alliance serves over 12,000 patients annually of which 70% identify as Latinx; most patients have limited incomes, and are hard-working agriculture and retail workers and their children. Over half speak Spanish as preferred language.
- Health centers were born through efforts of the civil rights movement to expand health care access to low income and marginalized communities and ensure that underserved communities had access to basic health care.
- Today, more than 1,370 community health centers serve the state of California, and provide comprehensive, high quality care to 7.2 million people – one out of every six Californians.

### ***Benefits of Contract Pharmacy Arrangements***

- Due to financial and building limitations, many CHCs including Alliance, are unable to construct and maintain their own in-house pharmacy, thus our patients rely on contract pharmacy arrangements.
- Contract pharmacy arrangements allow CHCs the ability to pass on their 340B savings to the patient. Absent this arrangement, the patient could be required to pay for the full cost of the drug.

### ***Ensure that medications and primary care are affordable for low-income patients:***

- Provide low cost medications to all low-income patients who are uninsured and under-uninsured.
- Ensure that all health center services are available to persons below 100% of poverty for no more than a nominal fee; ensure that patients between 101 – 200% of poverty are charged on a sliding fee scale.

### ***Expand access to medications and other services:***

- Establish and support in-house pharmacies, including extended pharmacy hours and pharmacy staff.
- Have 5 locations and extended hours, telephone and video visits to increase access.

### ***Support non-billable services that lead to improved health outcomes:***

- Non-billable providers supported by 340B savings includes a bilingual Pharmacy Tech who conduct medication management services, care coordinators, dietitians
- Robust care coordination for HIV and Hepatitis C patients, as well as STI prevention (PrEP and PEP).
- Charity Care Programs, including nutrition classes, legal advocacy, foodpantries, and transportation services.

### ***Develop and support infrastructure necessary to care for underserved populations***

- Have bilingual community health worker to link patients to health services, insurance and basic needs.
- Sustain quality management programs & departments that are responsible for collecting, analyzing, and reporting data.
- Conduct free drive-through flu and Covid-19 testing clinics, hold two weekly food distributions.

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