



340B Program

Most States set regulations around billing for 340B drugs and the State Medicaid agency mandate that these drugs be billed at the actual Acquisition cost plus the state allowable dispensing fee. Facilities struggle with compliantly billing 340B drugs without the markup that is associated with the pricing in the CDM. (Enzyme replacement therapy: The acquisition cost for these drugs is roughly \$6700.00 an injection but the price on the CDM with the markup is about roughly \$59,000.00 and the AWP (average wholesale price) for the drug is roughly \$9400.00. Cancer drugs: Hospitals can expect to save between 25% to 50% in what they are purchasing it for right now.)

ANI has the 340B expertise and highly trained teams that stay current with Federal and State regulations to ensure that 340B claims for 340B covered entities are compliant.

Establishing a 340B program allows hospitals to greatly reduce their Pharmaceutical costs:

- Offer patients greater access to necessary medicine that they, otherwise, could not obtain due to the high cost of prescription drugs.
- Provide cost savings opportunities by allowing covered entities to obtain outpatient prescription drugs at 340B prices.
- According to CMS, surveys of 340B Program participants indicate high satisfaction with the 340B Program, and participants frequently report paying 30 percent less than the covered entity otherwise would have paid for covered pharmaceuticals. Other studies have reported that the 340B Program price for pharmaceuticals may be 25 percent to 50 percent less than the average wholesale price (AWP)
- Taking advantage of the government's 340B program for the purchase of outpatient drugs may take some work and resources on the part of eligible facilities, but the effort is well spent. One facility – Long Island Jewish Medical Center in New Hyde Park, N.Y. – saved close to \$4 million, or roughly 24 percent of its outpatient pharmacy supply budget, in 2008, using the program. The beauty of the 340B program is that hospitals bill with the mark-up for all other payers and get reimbursed a lot more than they paid for the drugs with the commercial payers. Medicaid & Medi-cal are reimbursed at the acquisition cost plus the dispensing fee, and hospitals will get reimbursed at a 100% of the purchase price plus the dispensing fee.

A common question asked is, “What would you need from us to start the program?” We would need the following: Access to Electronic Medical Record (to locate amount dispensed); Billing system (to bill claims); Patient Accounting system (to see the name of the drugs charged, since UB04 most likely drops with NDC code and no description); A spreadsheet that lists the acquisition cost and package size.

340B billing is very labor intensive, but at ANI Healthcare Solutions we help your hospital remain compliant and obtain Maximum Reimbursement for all drugs. We can work with your organization to help set up the billing process if you ever decide to bill these drugs yourself and we can also provide the training.