

340B BROKER FAQ GUIDE



If your company is considering offering 340B Rx benefits to employer clients, a broker may ask you several important questions to assess the program's suitability and implementation.

Here are some key questions you might encounter:

1 HOW WILL YOU ENSURE COMPLIANCE WITH 340B REGULATIONS?

Compliance is critical for participating in the 340B program. The broker may inquire about your strategies for adhering to federal regulations and passing audits.

ANSWER

Ensuring compliance with 340B regulations requires strict adherence to patient eligibility criteria, proper record-keeping, and regular audits. Covered entities must maintain records of patient care, ensure prescriptions are written by eligible providers, and verify that services provided are consistent with the entity's grant funding or status.

2 WHAT COST SAVINGS CAN EMPLOYERS EXPECT FROM THE 340B PROGRAM?

Brokers will likely ask for estimates on potential cost savings for employers, as the program offers significantly reduced prices on prescription medications.

ANSWER

ScriptSourcing will be able to provide a savings analysis.

3 HOW WILL THE 340B PROGRAM BE INTEGRATED WITH EXISTING EMPLOYEE BENEFITS?

They may ask about the process of incorporating 340B pricing into current pharmacy benefits strategies for hospital employees.

ANSWER

Integrating 340B pricing into existing employee benefits requires careful planning. It's not a general employee pharmacy benefit, and eligibility is limited to patients who meet specific criteria. The program must be implemented in a way that aligns with the covered entity's mission and complies with regulations.

4 WHAT SUPPORT WILL YOU PROVIDE FOR PROGRAM IMPLEMENTATION AND MANAGEMENT?

Brokers might inquire about your company's expertise in optimizing 340B participation and handling compliance concerns.

ANSWER

Support for program implementation and management should include expertise in 340B regulations, assistance with eligibility verification, and guidance on compliance issues. This may involve providing tools for tracking 340B-eligible prescriptions and ensuring proper use of discounted medications.

5 HOW WILL YOU HANDLE ELIGIBILITY VERIFICATION FOR EACH PRESCRIPTION?

Since each prescription must meet specific criteria to qualify for 340B pricing, the broker may ask about your verification process.

ANSWER

Eligibility verification for each prescription is crucial. A system must be in place to confirm that each prescription meets the 340B patient definition criteria, including the patient's relationship with the covered entity and the prescriber's status.

6 WHAT REPORTING AND ANALYTICS WILL BE AVAILABLE TO TRACK PROGRAM PERFORMANCE?

They may ask about tools for monitoring cost savings, utilization, and overall program effectiveness.

ANSWER

Reporting and analytics should track cost savings, utilization patterns, and compliance metrics. This data can help demonstrate the program's effectiveness and identify areas for improvement.

7 HOW WILL YOU ADDRESS POTENTIAL CHALLENGES OR LIMITATIONS OF THE 340B PROGRAM?

Brokers might inquire about strategies for managing any controversies or limitations associated with the program.

ANSWER

Potential challenges of the 340B program include complex eligibility requirements, the risk of non-compliance, and potential conflicts with manufacturer rebates.

8 WHAT EDUCATION AND SUPPORT WILL YOU PROVIDE TO EMPLOYERS AND THEIR EMPLOYEES ABOUT THE 340B PROGRAM?

They may ask about resources for helping employers and employees understand the benefits and usage of the program.

ANSWER

Education and support for employers and employees should include clear explanations of eligibility criteria, the benefits of the program, and how to properly utilize 340B-priced medications. This may involve providing training materials and ongoing support.

9 HOW DOES YOUR 340B OFFERING COMPARE TO TRADITIONAL PHARMACY BENEFIT MANAGEMENT (PBM) SERVICES?

ANSWER

Compared to traditional PBM services, a 340B offering may provide access to significantly discounted medications for eligible prescriptions. However, it's important to note that 340B is not a comprehensive replacement for PBM services and has specific limitations on eligibility and use. 340B offerings differ significantly from traditional pharmacy benefit management (PBM) services in several key ways:

- **Purpose and focus:** 340B programs are designed to provide discounted medications to eligible healthcare organizations serving vulnerable populations, while traditional PBM services focus on managing prescription drug benefits for employers and health plans.
- **Pricing structure:** 340B programs offer steep discounts on drug prices to covered entities, often resulting in savings of 20-50% compared to retail prices. Traditional PBMs typically do not offer the same level of savings as 340B programs.
- **Eligibility:** 340B programs are limited to specific types of healthcare providers that meet federal eligibility criteria, such as certain hospitals and clinics serving low-income populations. PBM services are available to a wide range of organizations and individuals.
- **Revenue model:** 340B programs generate revenue for covered entities through the spread between discounted purchase prices and reimbursement rates. PBMs generate revenue through various mechanisms, including administrative fees, rebates, and spread pricing.
- **Compliance requirements:** 340B programs have strict compliance requirements, including preventing drug diversion and duplicate discounts. PBMs have their own set of compliance requirements, but they are generally less stringent than those of the 340B program.
- **Patient impact:** 340B programs can potentially offer greater direct benefits to patients through free or discounted medications and expanded services. Traditional PBM services may indirectly benefit patients through cost management, but the impact is often less direct.

10 WHAT ARE THE BENEFITS TO THE PLAN MEMBER WHEN PARTICIPATING IN A 340B PROGRAM?

ANSWER

- **Direct medication cost savings:** Patients receive free medications through 340B covered entities.
- **Improved health outcomes:** 340B participants have lower hospital readmission rates (8%) compared to non-participants (17%), which can lead to cost savings for patients.