

THE Medicine Cabinet

A newsletter from MEDPIN – Medicine For People In Need

Volume 2 Issue 4
October 2003

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Alliance: Statewide P&T Committee Formed

The statewide Pharmacy & Therapeutics (P&T) Committee for the new Safety Net Provider Purchasing Alliance (Alliance) has begun work on eight initial drug classes. The P&T Committee recognizes that the populations served by safety net providers may require special considerations when evaluating and selecting drugs.

Committee members acknowledged the importance of considering factors such as the frequency of administration, the dosage form and monitoring requirements of the drugs when serving low income working families, the uninsured, the homeless, the frail elderly, migrant farm worker families, rural families, poor women and children recognize that these populations.

More Drugs Reviewed

With the assistance of the UCSF and USC schools of pharmacy, the committee will review scientific evidence related to multiple drug classifications.

Using an evidence-based approach, the P&T Committee will base its choices first on proven clinical safety and efficacy, and second on the overall cost of the drug to safety net providers. The review is supported by comprehensive monographs, prepared by

UCSF and USC schools of pharmacy, which provide committee members with comparative studies on the effectiveness of the drugs in treatment, differences in side-effects and drug interactions.

Over time, the P&T Committee will review up to 45 different therapeutic classes. The goal is to choose a narrow selection of drugs from crowded therapeutic classes to form a Preferred Drug List (PDL). The Alliance will work through the federal Prime Vendor, Novation/HPPI, to negotiate deep discounts for the drugs on the PDL.

Benefits of Alliance Membership

Both 340B and non-340B members of the Alliance will be able to purchase drugs on the PDL at negotiated prices. Clinics and hospitals that are eligible for the 340B program are expected to receive prices negotiated to be significantly below the 340B ceiling price. Clinics not eligible for 340B are expected to receive prices negotiated to be close to the best price given to private sector health care purchasers.

Membership packets will be sent to clinics and county health systems in November 2003. For more information, contact Marice Ashe at Medpin.

SAVE THE DATE

WHAT: MEDPIN'S 3RD ANNUAL CONFERENCE

WHEN: SEPTEMBER 22 AND 23 2004

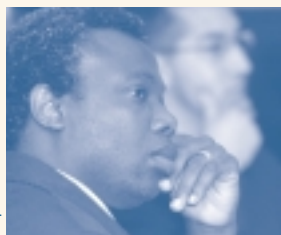
WHERE: HYATT REGENCY SACRAMENTO AT CAPITOL PARK

Mark your calendar now! Join safety net leaders throughout California to share strategies for maximizing access to affordable drugs to improve patient care and health outcomes.

SEPTEMBER 2004

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	1	2	3	4	5

ally Artisti, photographer, medpin 2nd Annual Conference



Medpin and U.C. Researchers Look at PAP Use

How widely are PAPs used by safety net clinics to help their indigent patients? Which features of PAPs make them more—or less—appreciated and used by these clinics?

Researchers from the University of California and Medpin received funding from the California Healthcare Foundation to answer these and other questions. The PAP User Study carried out case studies of ten different outpatient “safety net” clinics in California, and collected telephone survey results from 165 clinics in California, Texas, Florida, Illinois, and Oregon. “Whatever the fate of Medicare prescription drug coverage proposals, PAPs will be an increasingly important lifeline available to patients unable to pay for their medications,” notes study Co-Investigator Dr. Helene Lipton, Professor of Pharmacy and Health Policy at U.C. San Francisco.

Knowledgeable clinic staff were asked about their use of PAPs, the impact on clinic patients and clinic operations, and how to improve PAPs. “I learned how complicated it can be for clinic staff to track PAP eligibility and application requirements for scores of different programs,” observes study Co-Investigator Dr. Kristiana Raube, Executive Director of the Health Management Executive Program at the UC Berkeley Haas School of Business.

Principal Investigator, Kathryn Duke, hopes that “this unprecedented study will help policymakers and drug companies look at how PAPs are actually used, and at their benefits and costs to safety net clinics as well as the drug industry.”

Q&A: Ask the Pharmacist

Q A local pharmacy has offered to repackage our 340B drugs for 1/2 the price the repackager charges. Using the local community pharmacy would not only reduce our costs but would shorten the turn-around time from the time we order the drugs from the wholesaler, send them to the repackager and the drugs are returned to the clinic. This seems like an offer we can't refuse. What do you think of this arrangement?

A Be careful before you pursue such an option. You should verify that the California Board of Pharmacy (BOP) has licensed the pharmacy as a wholesaler. Go to the BOP website at

<http://www.pharmacy.ca.gov/> and click on license verification. Only a relatively small number of community pharmacies are licensed as wholesalers. Wholesalers must follow strict federal guidelines for repackaging drugs. Most pharmacies are not equipped to meet these requirements. A pharmacy is permitted to repackage drugs for its own use but not allowed to repackage for anyone else.



Q We do not have a licensed dispensary at our clinic. We do participate in several PAP programs to secure medications for our indigent patients. It takes provider time to dispense the medications and we have limited space for appropriate storage of the drugs. Can we work out an arrangement with our local retail pharmacy to dispense the PAP drugs for our clinic?

A Yes! There are several clinics that have developed just this kind of contractual arrangement. Using a community pharmacy has advantages for both the clinic and patients. Not only does it save time for your clinic's providers but the patients receive the added bonus of direct consultation with the pharmacist. Needless to say, the pharmacy must be compensated for the service it is providing. Reducing provider time for dispensing might offset the added expense of paying the pharmacy. You will need to negotiate a fair dispensing fee with the local retail pharmacy to determine if this is a viable solution for your clinic.

New Opportunities for Contracting With a Retail Pharmacy to Dispense 340B Drugs

340B eligible clinics without their own pharmacy can contract with a retail pharmacy to dispense 340B drugs. Until recently, less than two dozen 340B contract pharmacy arrangements were implemented in California, all of them with independent pharmacies.

Medpin convened a conference call workshop, *New Opportunities for Clinics: Contracting with a Chain Pharmacy to Dispense 340B Drugs* to highlight the growing interest of chain pharmacies in 340B contracting relationships. San Francisco County has recently implemented a contractual arrangement with Rite Aid to dispense 340B drugs for 16 of the county's 340B eligible primary care clinics. Longs Drugs will implement a pilot program to dispense 340B drugs at two Northern California community clinics beginning October 2003, and Walgreens is planning to launch a 340B pilot program outside of California before the end of the year.

San Francisco County Experience: Sharon Kotabe, PharmD, Associate Administrator Pharmaceutical Services, SF County, describes the San Francisco County model as using a third party adjudicator to

transfer patient eligibility information to the pharmacies, to provide the county with claims information and to pay the dispensing fee. SF County has assumed responsibility for tracking patient eligibility, monitoring pharmacy dispensing history and ordering drugs.

Other models: David Valerio, Director of Managed Care Sales and Marketing, Longs Drugs reports there are 385 Longs stores in California. Longs is developing a purely electronic model that fully meets the 340B statutory regulations. Features of the Longs model include electronic inventory separation and a choice of co-payments. Scheduled drugs are excluded. The Longs model also uses a third party adjudicator and mail order and Internet access are available.

Walgreens will be implementing a 340B pilot program utilizing an electronic inventory tracking system and their in-house pharmacy benefits administrator according to Gregg Cygan, Director, Clinical Pharmacies, Walgreens Health Initiatives.

Visit the Medpin website at www.medpin.org for further information.

DDP's End Pushes Clinics Toward More PAPs, Other Strategies

When the Drug Distribution Project (DDP) ended its three years of operation in April 2003, health policy observers regretted the loss of an independent, cost-effective alternative to patient assistance programs controlled by drug companies.

What is happening to the 200 large and small California safety net clinics whose indigent patients were benefiting from the DDP?

Most DDP Drugs Are Gone

Responses to a Medpin survey of participating clinics shows that many clinics have already dispensed most or all of the drugs they received through the DDP. When asked whether the DDP's end has affected patient care, many responses touched similar themes.

Fewer Uninsured Patients Will Receive Care

"The number of new patients we can see has been affected—more costly drugs results in fewer dollars that may be spent on new patient care." (Westside Family Health Center). "We cannot help nearly as many people as we could before. It is sad because most of these people are hurting financially and could really use the help." (Redding Rancheria)

More Stress on Clinic Staff

"Nurses, doctors, and pharmacists have to take time to explain to the [uninsured] patients why they have to pay a much larger co-pay for their medications, or why their medications have to be changed." (Gardner Family Health Network)

Patient Health Affected

"Less access to pharmaceuticals means that our chronic disease patients will experience increased complications, which will lead to a decreased quality of life and an increased burden on our already overwhelmed health care safety

net." (Community Care Health Centers)

"The [DDP] has been extremely helpful in treatment of patients with acute or short-term problems, when applying for a PAP is impractical due to the time factors." (Humboldt Open Door Clinic)

More Attention to PAPs

"We have really stepped up our effort in the area of drug company PAPs. This includes obtaining a new computer software program to help process claims and working with our clinic registration staff." (University Medical Center, Fresno)

"We are trying to fill the gap by ramping up our PAP program. We are struggling with this process due to lack of manpower to administer it due to state funding cutbacks." (Placer County)

"I have expanded utilization of my pharmacy as a practical experience site for pharmacy technician vocational schools, to help

with the PAPs and utilize my PAP Pharmacy Technician as a mentor." (County of San Diego)

Generic Drugs

"In addition [to PAPs], we have formed a multi-disciplinary Therapeutic Drug Work Group...to address the issues of rising drug costs and our formulary. We have found that by maintaining a few suppliers and being loyal to them, our costs have been somewhat controlled. We also provide generic medications as often as possible." (Westside Family Health Center)

340B

"[In addition to PAPs], we are also applying to be an FQHC Look-Alike and eventually an FQHC/330 so that we can take advantage of 340B discount pricing." (CommuniCare Health Centers)

Medpin thanks all the clinics that responded to the survey.



Huntington Beach Community Clinic
Huntington Beach, CA

Best Buys

OCTOBER

Generic NSAIDs treat pain and inflammation

Piroxicam capsules, #100
NDC# 52555-0973-01
\$ 0.05 (\$ 251.35 AWP)

Diclofenac 50mg
NDC# 00781-1787-01
\$1.51 (\$116.44 AWP)

Naproxen 500mg, #100
NDC# 00781-1165-01
\$2.36 (\$115.99 AWP)

Indomethacin capsules
50mg, #100
NDC# 00378-0147-01
\$2.92 (\$65.90 AWP)

Looking to Buy a "Best Buy?"

Medpin doesn't sell or distribute drugs. You must work with a drug wholesaler or directly with a pharmaceutical company to buy drugs. Best Buys prices are generally available only to clinics that are 340B eligible. To find out more about the 340B program and how to participate go to our website at www.medpin.org and click on Low Cost Drugs.

PLEASE ROUTE TO:

- ____ Executive Director
- ____ Medical Director
- ____ Clinic Manager
- ____ Nurse Manager
- ____ Pharmacist

www.medpin.org • 510.302.3341 • info@medpin.org

Pharmacy Services Support Center Created to Maximize 340B Participation

The Health Resources and Services Administration (HRSA) contracted with the American Pharmacists Association to develop the HRSA Pharmacy Services Support Center (PSSC) in October 2002. The PSSC's primary function is to assist the Pharmacy Affairs Branch (PAB) in its efforts to maximize 340B program participation and encourage development of comprehensive pharmacy services.

The PSSC serves 340B covered entities, such as community health centers, family planning clinics, disproportionate share hospitals, HIV/ADAP facilities, hemophilia treatment centers, and other HRSA grantees; manufacturers; wholesalers; state Medicaid agencies; and other safety-net providers. The PSSC is currently managing two call centers in Bethesda, Maryland and Washington, DC to help people get their 340B program questions answered. The PSSC also works in partnership with other organizations to bring the issues of the 340B sites to the attention of national phar-



macy groups and will develop opportunities for colleges of pharmacy to establish student service projects that increase access to comprehensive pharmacy services.

Diane Goyette, the senior director for PSSC, will lead the team in developing marketing strategies to increase 340B program awareness, identifying 340B best practices, and maximizing 340B program participation, especially in the areas of STD and TB clinics. The PSSC serves as the initial point-of-contact for PAB and the 340B program, enabling program staff to develop new and enhance existing federal programs that maximize access to comprehensive pharmacy services for the medically underserved.

For more information about the PSSC and 340B drug pricing program, please call 1-800-628-6297 or email pssc@aphanet.org.

Medpin

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