



Equitas Health
Care for All

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About Equitas Health

- Equitas Health is a regional nonprofit community healthcare system.
- We are a Federally Qualified Health Center Look-Alike and one of the largest healthcare organizations serving LGBTQ+ people and people living with HIV/AIDS in the United States.
- We serve thousands of patients each year through patient-centered, integrated, and cutting edge services, including primary and specialized medical care, pharmacy, dentistry, behavioral health, HIV/STI treatment and prevention, PrEP/PEP, Ryan White/HIV case management, care navigation, advocacy, and other community health initiatives.

About Equitas Health

- Primary care, dental, behavioral health, and pharmacy services at four locations (two in Columbus, one in Dayton, and one in Cincinnati).
- Ryan White-funded supportive services in 15 other locations around the state.
- Our mission is to be the gateway to good health for those at risk of or affected by HIV/AIDS, for the LGBTQ+ community, and for those seeking a welcoming health care home.

Equitas Health Locations



Equitas Health:

Supporting Patient Access to Care

TOPICS FOR TODAY:

- Protecting the intent of the 340B program to provide comprehensive care to underserved communities.
- Banning co-pay accumulators to keep patient out-of-pocket costs low.

What is the 340B program?

- The 340B program provides discounts on outpatient prescription and over-the-counter drugs to certain safety net health providers.
- The program's intent is to stretch scarce federal resources by allowing safety net providers (called Covered Entities) to increase patient services with the savings realized from participation in the 340B program.
- FQHCs, FQHC Look-Alikes, and Ryan White Clinics are Covered Entities (CEs).
- CEs typically save 18-50% on outpatient drug costs through participation in the program.
- CEs use 340B savings to provide needed services – such as behavioral health, dental, case management and enhanced pharmacy management – to the most underserved Ohioans – people who literally cannot afford to pay for health care services.

How the 340B Program Works



How does Equitas Health use its 340B savings?

- In 2019, we invested \$15.65 million of 340B savings in patient care services and program administration costs.
- We make medications affordable for and accessible to our patients.
 - For example, we offer discounted medication pricing to uninsured individuals who are patients of the medical center, with incomes at or below 200% FPL.
 - When cost is a barrier, we work with patients to ensure they get the medications they need.
- Other pharmacy services that we offer that are supported by 340B savings include:
 - Free home delivery which is important for patients that cannot directly access pharmacies.
 - Medication counseling services provided by pharmacists who double as HIV treatment and prevention experts.
 - Adherence counseling and management.
 - Licensed clinicians available for after-hours calls, 24 hours per day, 7 days per week, and 365 days per year.

How does Equitas Health use its 340B savings?

- We also use 340B savings to expand access to other specific services that we would not otherwise be able to provide. These include:
 - Medical care (more than half of care delivered in our medical centers is supported by 340B)
 - Behavioral health (individual psychotherapy, psychiatry, support groups, and soon substance use disorder services)
 - Dentistry (including emergency, preventive, restorative, and removable)
- By law and by mission, Equitas Health uses all savings resulting from our participation in the 340B program to expand our patients' ability to access services and medications.
- 100% of profits are reinvested back into our programs and services.

Without 340B, we would not be able to fully serve our patients.

Threats to the Viability of Safety Net Providers and the 340B Program

- Discriminatory language in contracts between covered entities' pharmacies and payors/PBMs
- Single PBM for Medicaid managed care
- Forcing CEs to accept actual acquisition cost
- Manufacturer policies relating to 340B utilization at contract pharmacies

Discriminatory Contract Language

- Contracts that payors and PBMs present to CEs regularly include language that either reimburses the CE *less* for 340B drugs than for retail drugs, or adds excessive fees for filling prescriptions for 340B drugs.
- Example: the payor's contract reimburses the CE **30% less** for a 340B brand name drug than for a retail brand name drug.
 - In doing this, the payor often *entirely wipes out* the 340B savings intended for the CE, as provided in federal law.
 - Payors then pocket these dollars for their own gain.

Single PBM for Medicaid Managed Care

- ODM recently released a RFP for a single PBM for all Medicaid managed care plans.
- Contemporaneous with the release of the RFP, CEs received a contract from one potential applicant that would reimburse at Actual Acquisition Cost (AAC) plus a very low dispensing fee, thereby wiping out the 340B margin. It will also reimburse retail (non-340B) prescriptions at a very low rate.

Forcing CEs to Accept Actual Acquisition Cost

- Some of the PBMs that contract with the current Ohio Medicaid managed care plans are simply mandating that CEs submit AAC.
- In effect, this contractually wipes out the 340B savings intended, by law, for CEs.

Manufacturer Policies Relating to 340B Utilization at Contract Pharmacies

In the last 60 days...

- Lilly – Is offering no 340B price for two strengths of Cialis when dispensed at a contract pharmacy.
- Merck, Sanofi, Novartis – Are asking CEs to submit 340B prescription data for *all payors* when filled at contract pharmacies. If CEs don't comply, they have stated they may take further action.
- AstraZeneca – Effective 10/1, will not honor contract pharmacy arrangements for CEs, except for those that do not have an onsite dispensing pharmacy. If a CE does *not* have an onsite pharmacy, will honor only one contract pharmacy arrangement.
 - This significantly impacts patients and CEs, especially when PBMs mandate which pharmacies many patients use for chronic medications or specialty medications.

Impact of Threats to 340B on Equitas Health

- There is an illusion that taking the 340B margin saves money and results in lower drug costs. **That is not true.**
 - It only results in reducing safety net providers' ability to provide affordable medications to patients and to provide needed medical and supportive services to underserved communities.
- Alternatively, we can decide not to contract with these PBMs or payors, but that means that we will not be in network for our patients.
- Not only does this directly impact the physical health of our patients, it takes away a stable, comforting, familiar, supportive source for vulnerable Ohioans.
- Threats to the 340B program make it less likely that pharmacies and CEs can serve patients and keep their doors open.
- Eliminating 340B savings to CEs will result in the loss of services, closure of facilities across the state, and increased utilization of emergency rooms.
- CEs and 340B pharmacies are being squeezed on all sides by PBMs, Payors, and manufacturers, **but the patient suffers.**

Co-Pay Accumulators

- A co-pay accumulator is a recent policy/program implemented by numerous insurance companies.
- These programs prohibit the use of manufacturer co-pay cards or other assistance provided by a drug manufacturer from applying to a patient's deductible and maximum out-of-pocket expense.
- Ultimately – this requires that the patient pay their full deductible with no outside assistance, even though payment is often received through the co-pay card.

Co-Pay Accumulators

- These programs are becoming more common.
 - 17% of employer plans in 2018
 - 29% of employer plans in 2019
- Insurance companies say co-pay cards and other assistance programs promote the use of higher-cost brand name medications, rather than lower-cost generic alternatives.
 - For many chronic conditions that require specialty medications, such as MS or HIV, there often is *not* a generic alternative.

What does a co-pay accumulator policy ultimately do?

- It causes patients living with HIV, MS, or other chronic conditions to often times unexpectedly incur higher costs.
- It hurts patients and makes them vulnerable.
 - It may leave a patient without medication.
 - It may result in an ER visit or a hospital stay.
 - It may leave patients unable to access other medical needs or living necessities due to the financial burden.

Eliminating co-pay accumulators will not resolve the overarching drug price issue, but at least it will ensure that patients can attain the medications they need.

Takeaways

- The 340B program, co-pay cards, and other drug pricing mechanism are often criticized.
- Safety net providers did not create the drug pricing system...but we're stuck with it, and so are our patients.
- Any maneuvers that seek to take funding legally intended for us or to shift costs to our patients do not actually result in lower drug prices or healthcare costs.
- **Supporting policies to protect the 340B program and ban co-pay accumulators would be a huge first step in lowering costs for patients and making health care and medications accessible.**

Questions?



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