



# 340B Myths and Facts Regarding Other Arrangements

Featuring:  
**John Bretz, Director of Strategic Relations at SUNRx**  
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# About SUNRx



## Vision

We will transform our stakeholder's experiences and financial outcomes through relentless pursuit of knowledge and innovative healthcare services.

## Mission







SUNRx provides 340B savings to those we serve through innovative solutions, systems, and services that **provide transparency** and **promote choice** in decision making.

## Experience

- Early “pioneer” in 340B, beginning in 2006
- Committed to the intent and success of 340B
- Nationally recognized for our compliance approach
- Trusted 340B TPA with exclusive endorsements from 30+ State Hospital and Pharmacy Associations
- Broadened services through acquisitions: e-Audit and AuthorityRx



## What We Offer

-  Contract Pharmacy
-  Uninsured 340B Prescription Discount Card
-  Specialty Pharmacy
-  Referral Capture
-  Advanced Claims Capture
-  Split Billing

## Who We Serve

-  Hospitals
-  Health Centers
-  Pharmacies



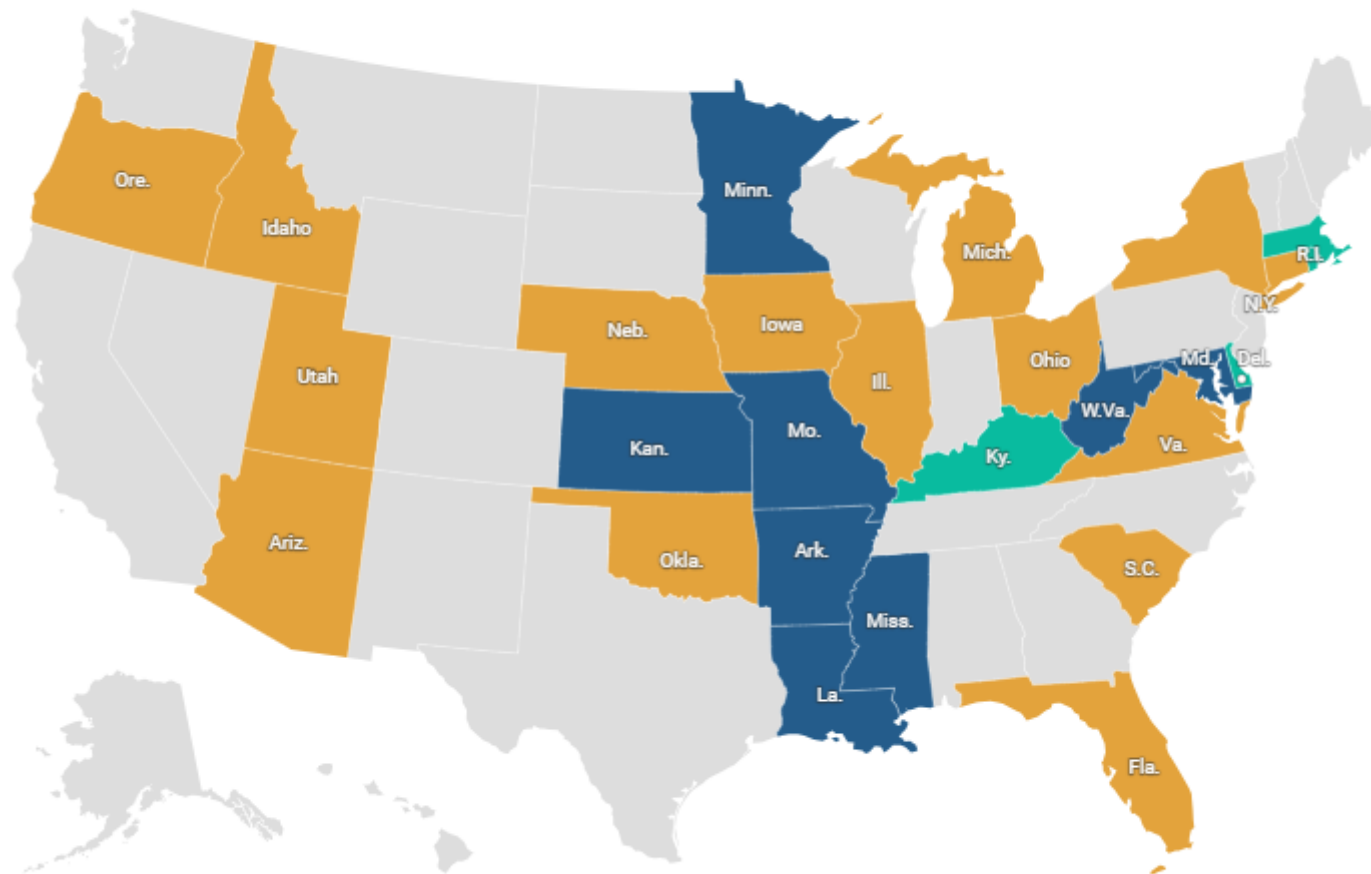
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# Current Regulatory Environment

## Legislation Tracker: 2023-2024 State Bills and Laws that Prohibit Drugmaker 340B Contract Pharmacy Restrictions

 Bill passed    Bill cleared a legislative chamber    Bill introduced



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Map: updated as of July 16, 2024 • Created with [Datawrapper](#)



# Current Regulatory Environment

Manufacturer Contract Pharmacy Lawsuits Against States		
Case Name	District Court	Status
<b>PhRMA and AstraZeneca Challenges to Arkansas Law Protecting Delivery of 340B Drugs to Pharmacies</b>		
<b>PhRMA**</b> E. District of Arkansas	Decision <b>favorable</b> to Covered Entities (Dec. 29, 2022)	<ul style="list-style-type: none"> <li>▪ Eighth Circuit affirmed decision of District Court (March 12, 2024) and denied PhRMA's petition for a rehearing en banc (May 2, 2024)</li> </ul>
<b>AstraZeneca**</b> E. District of Arkansas	Complaint filed on March 25, 2024	<ul style="list-style-type: none"> <li>▪ Trial date set for April 2025, Arkansas has filed motion to dismiss</li> <li>▪ Powers drafting motion to intervene and motion to dismiss on behalf of CE</li> </ul>
<b>PhRMA and Manufacturer Challenges to Louisiana Law Protecting Delivery of 340B Drugs to Pharmacies</b>		
<b>PhRMA**</b> <b>AstraZeneca **</b> <b>AbbVie**</b> W. District of Louisiana	Complaints filed on July 27, 2023, Aug. 4, 2023, and Sept. 21, 2023 Oral arguments occurred on June 6, 2024	<ul style="list-style-type: none"> <li>▪ All substantive briefs have been filed and oral arguments have occurred</li> <li>▪ Decision pending</li> </ul>
<b>PhRMA and Manufacturer Challenges to Other State Laws Protecting Delivery of 340B Drugs to Pharmacies</b>		
<b>Novartis; PhRMA</b> District of Maryland	Complaint filed on May 29, 2024; June 5, 2024	<ul style="list-style-type: none"> <li>▪ Motions filed for preliminary injunction</li> </ul>
<b>PhRMA; Novartis; AbbVie</b> S. District Mississippi	Complaint filed on May 30, 2024; June 3 2024, June 18, 2024	<ul style="list-style-type: none"> <li>▪ Motion to enjoin enforcement of law denied for all three</li> </ul>
<b>PhRMA; Novartis</b> S. District of West Virginia	Complaints filed on May 31, 2024	<ul style="list-style-type: none"> <li>▪ Motions filed for preliminary injunction</li> </ul>
<b>AbbVie; AstraZeneca</b> District of Minnesota	Complaint filed on July 1, 2024; July 2, 2024	<ul style="list-style-type: none"> <li>▪ Briefing dates TBD; no substantive motions filed</li> </ul>
<b>AbbVie; AstraZeneca</b> District of Kansas	Complaint filed on July 1, 2024; July 2, 2024	<ul style="list-style-type: none"> <li>▪ Briefing dates TBD; no substantive motions filed</li> </ul>
<b>AbbVie</b> E. District of Missouri	Complaint filed on July 22, 2024	<ul style="list-style-type: none"> <li>▪ Briefing dates TBD; no substantive motions filed</li> </ul>

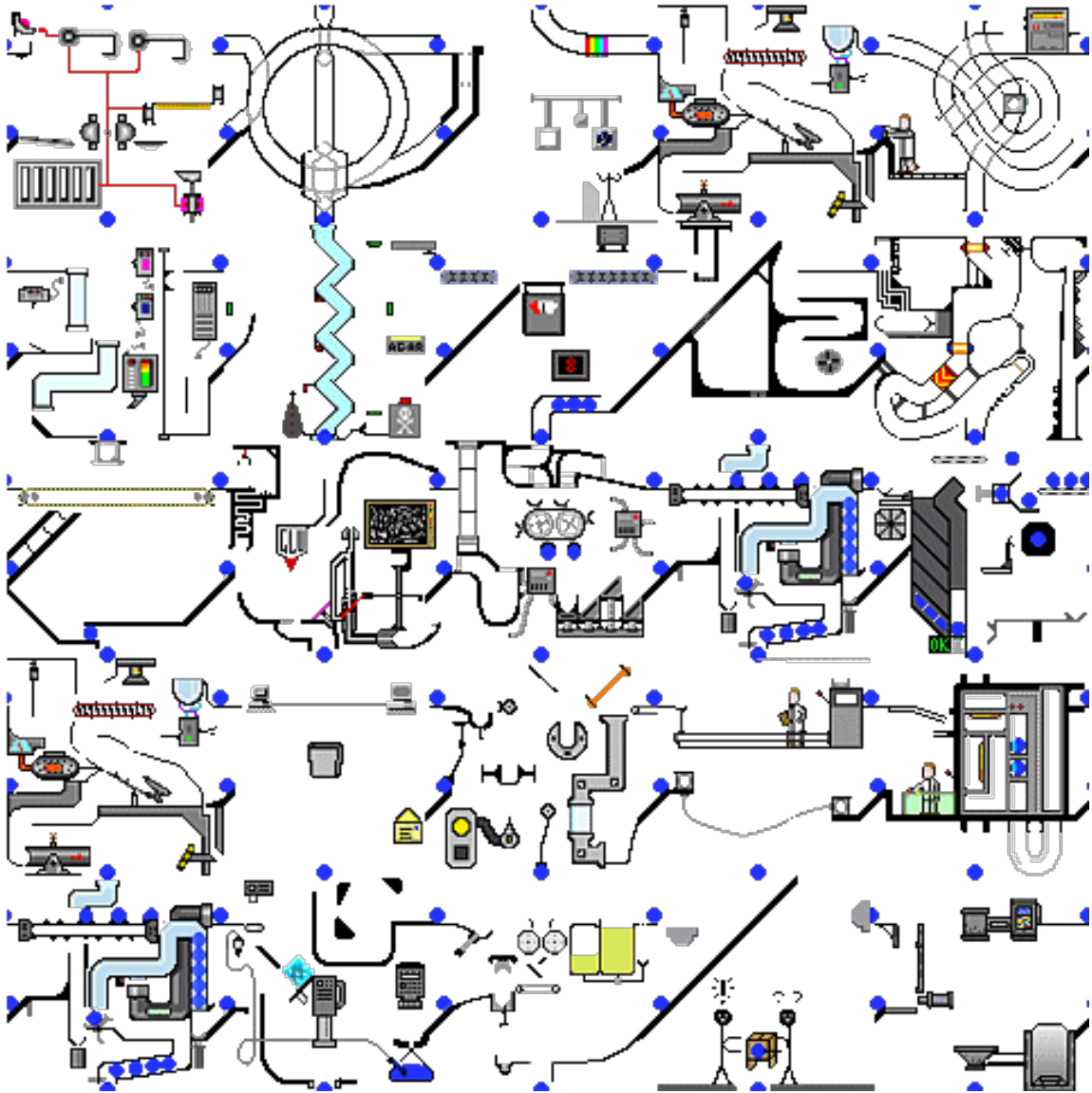
\*Powers filed amicus briefs on behalf of RWC-340B, NACHC and other covered entities

\*\*Powers Law Firm represents covered entity intervenors/proposed intervenors

Source: Powers  
Law



# DISRUPTION... Managing your 340B Program





# 340B Myths and Facts Regarding Other Arrangements

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# Agenda

AuthorityRx Introduction

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Myths and facts

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How did we get to where we are today

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Best practices

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Final Thoughts

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Questions and CPE Question

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# About AuthorityRx

## What We Offer

- Advanced Claims Capture (ACC)
- MFG Mandate Management support (M3)
- Zero cost program check-up
- 340B compliance expertise
- Increased savings
  - P&P language optimization (4 key areas)
  - Best in class reclassification turnaround

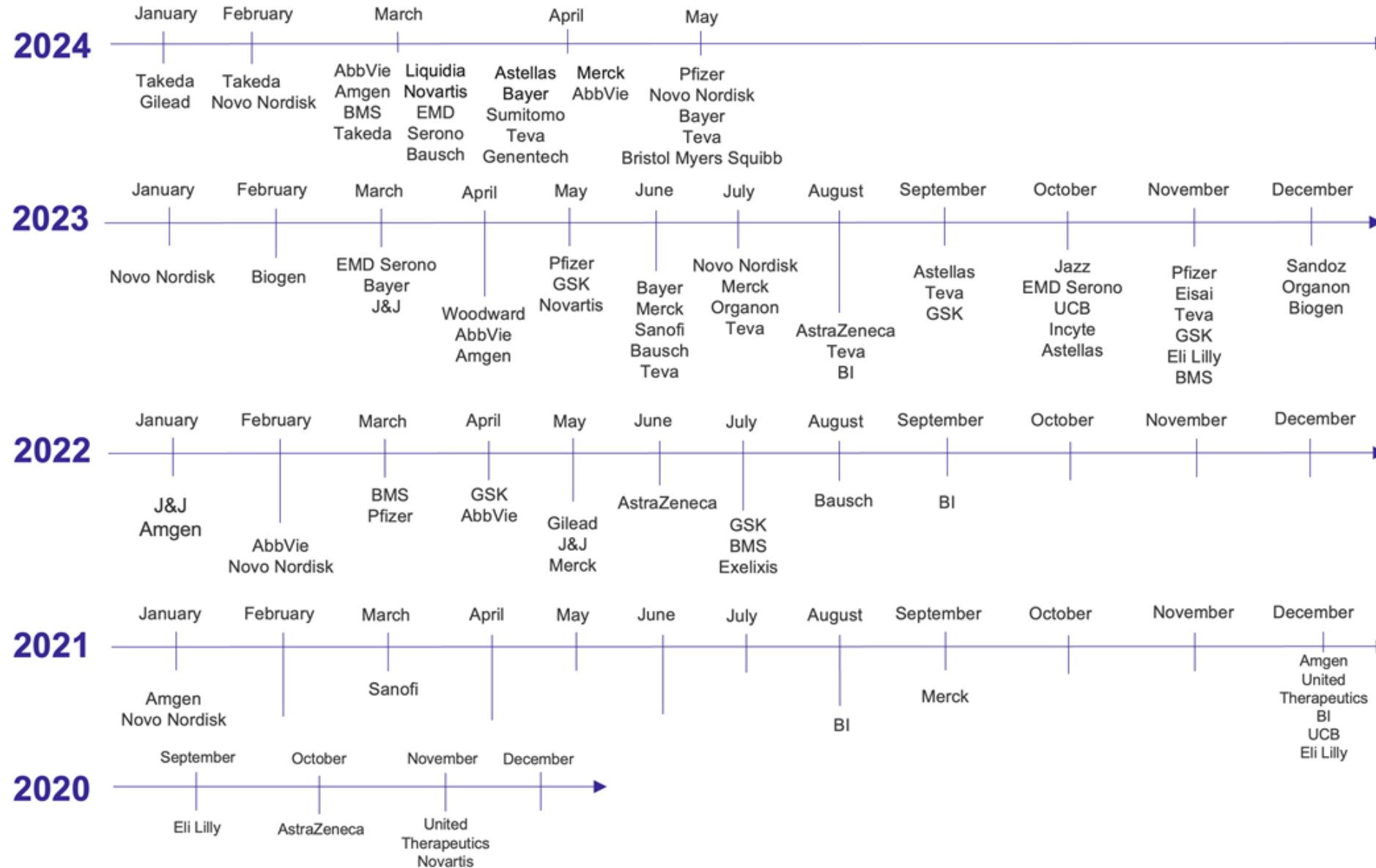
## Who We Serve

Hospitals | Grantees | 340B TPA's | Pharmacies

## ARx

- Multiple HRSA audits supported annually (12 audits 2022-2023)
- 1 of 4 automated platforms in the nation that are
  - Able to work with large chain pharmacy TPA(s)
  - 1 of 3 companies with a SOC 2 security certificate
- 340B TPA agnostic
- Only company in the nation
  - with extensive compliance expertise
  - that owns multiple automated 340B cloud-based applications to include referral capture

# Manufacturer Restrictions: How did we get here?



# Common Products by Manufacturer

## Astra Zeneca

- Farxiga- Avg savings per RX \$500
- Brilinta- Avg savings per RX \$300
- Symbicort- Avg savings per RX \$200
- Breztri- Avg \$200

## Lilly

- Trulicity- Avg savings per RX \$1000
- Humalog KP- Avg savings per RX \$500
- Humalog V- Avg savings per RX \$300
- Emgality- Avg \$120

## Novo Nordisk

- Levemir, Ozempic, Tresiba, Rybelsus- All avg savings per RX \$400 each

## Merck

- Januvia- Avg savings per RX \$500
- Janumet- Avg savings per RX \$400
- Dulera- Avg savings per RX \$200
- Steglatro- Avg \$150

## Bristol Myers Squibb

- Eliquis- Avg savings per RX \$200
- Revlimid- Avg savings per RX \$400
- Yervoy- Avg savings per RX \$400
- Thalomid- Avg savings per RX \$400

## AbbVie

- Humira-Orphan for adolescent patients, ensure not blocked (avg. savings per RX \$3,000)
- Creon-Avg savings per RX \$1470

## Boehringer

- Jardiance- Avg savings per RX \$1000
- Spiriva- Avg savings per RX \$1100
- Tradjenta- Avg savings per RX \$1300
- Combivent- Avg \$500

## UCB

- Cimzia- Avg savings per RX \$4000
- Keppra and Neupro-Avg savings \$400-\$1000

## Amgen

- Enbrel- Avg savings per RX \$5000
- Otezla- Avg savings per RX \$3000
- Prolia- Avg savings per RX \$600
- Amiovig- Avg \$400

## Sanofi

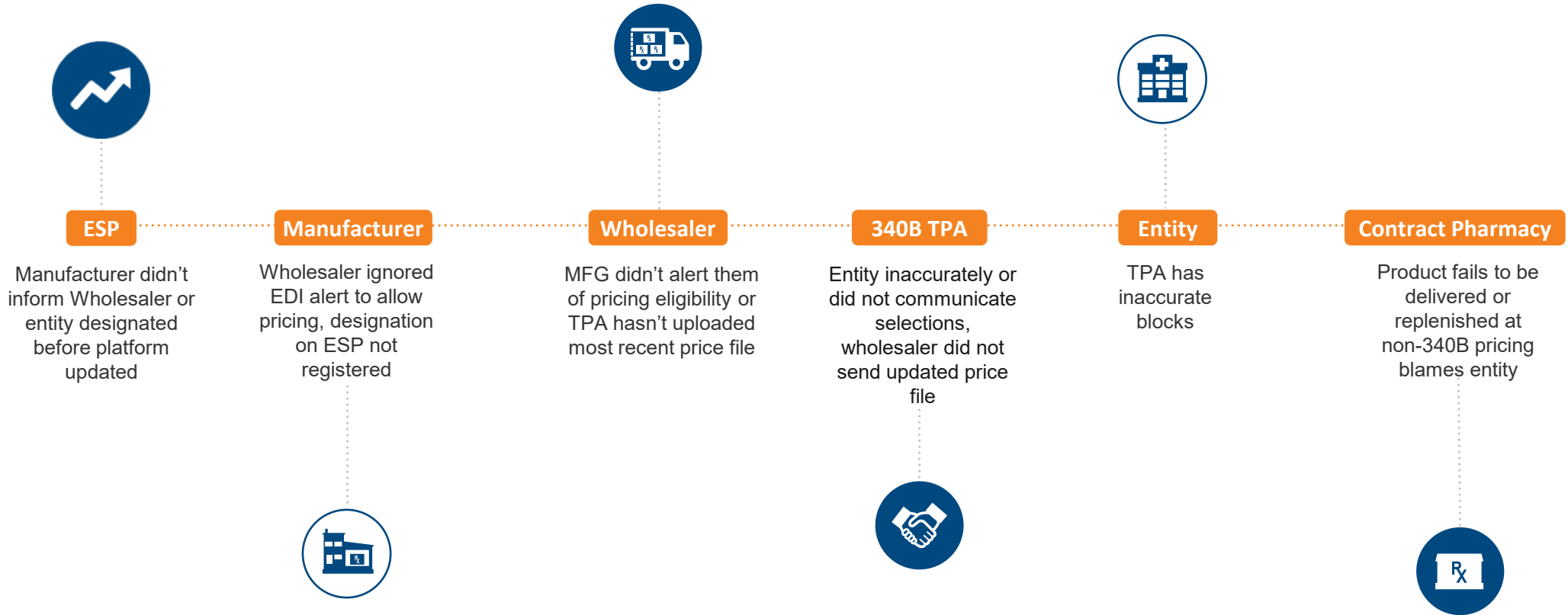
- Lantus- Avg savings per RX \$400
- Toujeo- Avg savings per RX \$600
- Soliqua- Avg savings per RX \$300
- Multaq- Avg \$150

## Novartis

- Kisqali- Avg savings per RX \$4900
- Entresto- Avg savings per RX \$600



# When Processes Fail: Let the Blame Game Begin





## Other Arrangements (e.g., Referral)

- Rural entities, especially hospitals and grantees, rely on other arrangements to compliantly qualify claims from providers who are not employed or do not see entity patients in eligible location(s)
- Statute states:  
“....either employed by the covered entity or provides health care under contractual or **other arrangements (e.g., referral for consultation)**;
- Defining any other arrangement in P&P’s and outlining how it is operationalized is a necessity for entities utilizing other arrangements



# Common Myths and Misconceptions

- Myth 1: There is only one way to do it
- Myth 2: Incorporating any other arrangement is complicated
- Myth 3: Other arrangements are risky and prone to non-compliance



# Myth: Only One Way to Outline an Other Arrangement

## Fact

- **There are different types of other arrangements** outlined by entities across the Nation, not just one way it must be done
- Shared patient
- Referral
- Best practice
- 340B extended provider
- Collaborative care

## Reason for Myth

- Consultants
  - Lack of compliance expertise
  - Lack operational experience
- Vendors (referral and TPA's)
  - Most TPA's abstain from incorporating updated logic
  - Referral vendors self serving approach
- First entities
  - Created and operationalized language which passed HRSA audits; proven language adopted becoming the standard



# Myth: Incorporating an Arrangement is Complicated

## Fact

- **It can be simple** to operate a compliant program that incorporates any other arrangement to address your communities needs
- Majority of other arrangements outlined incorporate unnecessary operational constraints
- Poorly written language results in management processes that are cumbersome and overly complex

## Reason for Myth

- Consultants
  - Lack of compliance expertise
  - Lack operational experience
- Vendors (referral and TPA's)
  - TPA's dated capture logic
  - Referral vendors only built to process the narrowest of models
- Entities
  - Unnecessarily creating self-imposing constraints
  - Taxes resources
  - Reduces savings
  - Risks incidental non-compliance





# Myth: Arrangements too Risky (Non-compliance)

## Fact

- **Not at all risky** for those entities who craft appropriate language and operationalize the arrangement; as well as partner with compliance focused vendors
- Have clear and well written declaration in purpose statement, leaving no doubt how the program is operating
- HRSA has transactionally tested and passed claims that were a result several different types of other arrangements

## Reason for Myth

- Consultants
  - Lack of compliance expertise
  - Lack operational experience
- Vendors (referral and TPA's)
  - TPA's dated capture logic
  - Referral vendors lack compliance expertise and real-world operational understanding
- Entities
  - The more self-imposed complexity; the higher risk of incorrect processes and capture



# Where We are Today

- All kinds of other arrangements continue to be drafted, put into practice and pass HRSA audits
- Other arrangements continue to be an excellent and compliant mechanism for addressing entity challenges
- HRSA seeking rule making authority
  - Could bring consistency and clarity to level-set the program
- Consultants
  - Continue to perpetuate myths and in some cases fear due to their lack of program understanding
- Vendors
  - Self serving narratives regarding arrangements due to lack of platform flexibility and real-world program environment
- Entities
  - Beginning to realize there is a better way forward concerning arrangements and partnerships



ADVANCED CLAIMS CAPTURE

# Challenges with managing the referral process



**Referral not documented**



**Referral not documented correctly**



**Integration with referral Vendor**



## ADVANCED CLAIMS CAPTURE

# ACC Process Vs. Other Processes

	Traditional Referral (TPA Review Queue)	Traditional Referral (Review/Fallout)	Advanced Claim Capture	ACC Advantage
Avg# of Claims Available for Review/mo	21	120*	319	
Avg % Rate of Verification for claims/mo	42.9% (9 claims)	33.2% (40 Claims)	47.8%* (152 Claims)	
Avg \$/claim	\$192	\$268	\$315	
Turnaround Time/days	Up to 21	Up to 45	3*	
Additional Annual Savings	5%	15%	<b>35%+</b>	

(Figures from AuthorityRx Client Data)

# Increase the VALUE of your 340B program with Advanced Claims Capture

Client average additional monthly 340B savings \$17,799.75-\$56,145.50 realized over 6 months.

Additional functionality will deliver even more 340B savings in 2023. Average monthly savings increases to near fifty percent (50%) increase expected (average monthly 340B savings \$77,981 target) with the new functionality.

Covered Entity A  
Wisconsin, CAH  
Quarterly Savings



	Avg. Quarterly Savings
Pre-ACC-GO-Live	\$81.2K
Post-ACC-Go-Live	\$190.1K

Avg. Quarterly additional revenue added:  
**\$39.4K**

Covered Entity B  
North Carolina, CHC  
Quarterly Savings



	Avg. Quarterly Savings
Pre-ACC-GO-Live	\$74.9K
Post-ACC-Go-Live	\$187.9K

Avg. Quarterly additional revenue added:  
**\$115.7K**

Covered Entity C  
Texas, SCH  
Quarterly Savings



	Avg. Quarterly Savings
Pre-ACC-GO-Live	\$25.6K
Post-ACC-Go-Live	\$411.8K

Avg. Quarterly additional revenue added:  
**\$233.6K**

† Average increased 340B savings could be higher depending on the size of your 340B program.



## Final Thoughts: Check List for Vendor

- ✓ **Compliance expertise?** Support multiple HRSA audits annually.
- ✓ **Truly automated process?** Ask if integrated with top chain pharmacies i.e., CVS and ask for that specific reference.
- ✓ **Middleman?** Does the vendor contract with someone else to do the work or have their own platform?
- ✓ **SOC 2-Certified** Platform and service security; ask to see certificate from 3rd party auditor.
- ✓ **P&P Language** Revise language to maximize new savings.
- ✓ **Implementation** How long and what resources are needed?

**Better Referrals.  
Greater Savings.**

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**340B. Simplified.®**  
Powering Compliance & Savings



# Close

Featuring:

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**Let's start a movement!**

<https://www.youtube.com/watch?v=hO8MwBZI-Vc>