

viventhealth

Introduction to Vivent Health for the Governor's Task Force on Reducing Prescription Drug Prices

Bill Keeton, Vice President and Chief Advocacy Officer

Today's Discussion

- Status of HIV in Wisconsin
- What is Vivent Health?
- Who do we serve?
- What are our outcomes?
- How does the 340B program help us serve more patients, at a lower cost, with better outcomes?

Status of HIV in Wisconsin

HIV in Wisconsin

- Today, it is estimated there are about 9,000 people living with HIV in Wisconsin
- Annually, new HIV infections are down to about 225 from an historic high of 589 in the early 1990s
- HIV significantly impacts people and communities of color – people of color account for 16% of the state's population but account for 66% of new cases
- People with HIV live longer, healthier lives in Wisconsin than any where else in the nation according to data from the Agency for Healthcare Research and Quality (US Dept. of Health and Human Services)
- More than 50% of people with HIV in Wisconsin are effectively managing their HIV, meaning their health is optimized and they are physiologically unable to transmit HIV to someone else

What is Vivent Health?

Vivent Health Overview

Leading National HIV Organization

- Nation's premier HIV Medical Home – integrating medical, pharmacy, dental, and mental health care with comprehensive social services
- 15 locations throughout Wisconsin, Colorado, Missouri and Texas
- 425+ staff
- \$150 million budget
- 10,000 patients and clients
- 350,000+ HIV prevention contacts

VIVENT HEALTH HIV MEDICAL HOME

ACCESS to Comprehensive, Integrated Care

MEDICAL

**BEHAVIORAL
HEALTH**

PHARMACY

DENTAL



**PATIENT-
CENTERED
CARE**



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LEGAL

**CASE
MANAGEMENT**

HOUSING

FOOD

Who do we serve?

Vivent Health Patients and Clients

- More than 90% of Vivent Health patients and clients are living in poverty, below 200% of FPL leading to food, shelter and economic vulnerability
- More than 85% of Vivent Health patients have co-occurring chronic disease or mental health diagnoses along with their HIV
- More than 55% of Vivent Health patients are over the age of 45

Vivent Health services are available to anyone living with HIV or at-risk for HIV regardless of their ability to pay for their services or their insurance status. We are proud to provide the same high level of care to our patients and clients regardless of their race, ethnicity, gender identity, sexual orientation, or poverty status.

What are our outcomes?

Quality Outcomes

Patients	National Standard	Vivent Health 2019
With a suppressed viral load	81%	95%
Prescribed ARV treatment	91%	98%
With diabetes that is well managed	35%	48%
With controlled hypertension	57%	57%
With a lipid disorder and well controlled cholesterol	NA	76%

Quality of Life Outcomes

Independent study conducted by the UW Center for Health Systems Research and Analysis found that Vivent Health patients have:

- 52% lower hospitalization
- 48% lower unnecessary use of the emergency room
- 10% shorter hospital stays

Finance Outcomes

Wisconsin taxpayers and health consumers **save approximately \$12 million annually** in costs due to patients being cared for at the Vivent Health HIV Medical Home achieving high quality health outcomes

How does the 340B program help us serve more patients, at a lower cost, with better outcomes?

Quick 340B Overview

- The 340B program was established by Congress:
 - as a part of the Veterans Health Care Act of 1992;
 - as a way to provide relief to safety net providers for high drug prices;
 - in order to help such providers stretch scarce federal resources as far as possible, to reach more vulnerable patients, and deliver more comprehensive services; and
 - ***With no financial impact to tax payers.***

Quick 340B Overview

The 340B Program:

- is administered by the Office of Pharmacy Affairs within the Health Resources and Services Administration of HHS
- has strict eligibility, reporting and compliance requirements that are in place to prevent fraud and abuse of the program and that come with significant penalties
- has received significant attention from Congress in recent years, but has not been changed due to overwhelming support and need

Quick 340B Overview

As previously stated, the 340B program does not cost taxpayers anything. Instead, the program:

- generates savings that safety net providers are required to re-invest in critically needed programs and services for patients

340B savings are regulated:

- 340B safety net providers like Vivent Health must use the savings in limited ways aligned with their mission or grant funding

340B safety net providers are constantly engaged in self-audits and compliance work to ensure program integrity, often at significant cost

How Does Vivent Health use 340B Savings

Ensuring Access to Health Care for All:

- Government programs often contain eligibility and program limitations that prevent Vivent Health from reaching everyone regardless of their ability to pay – **340B allows us to provide health care to everyone**
- Government grants are limited in scope and financial support, even when they work well. Vivent Health uses 340B savings to:
 - **keep our dental clinics in Madison and Green Bay open;**
 - **keep mental and behavioral health services operating in smaller communities** throughout Wisconsin;
 - **doubling the amount of food our pantries provide to clients;**

How Does Vivent Health use 340B Savings

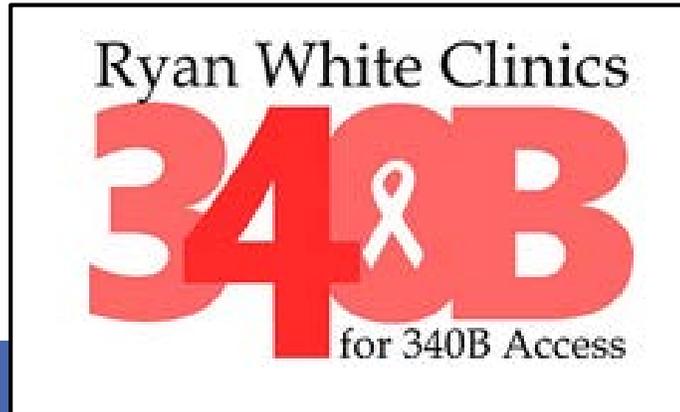
Ensuring Access to Medications:

- Even with patient assistance programs, specific medication access programs and other assistance, often times people living with HIV cannot afford their medications. **340B savings are used to ensure that ability to pay does not limit access to medicine.**
- ***Every Vivent Health patient who needs medications will receive them, every time they need them.***

How Does Vivent Health use 340B Savings

Delivering the care people with HIV need:

- Grant funding and reimbursement revenue does not cover the costs of our comprehensive, integrated model of care. 340B savings allow us to
 - accommodate high acuity patients who need enhanced levels of care;
 - provide dedicated adherence counseling;
 - offer clinical pharmacy services; and
 - accommodate unforeseeable funding interruptions like COVID-19 without interrupting patient care



DISCRIMINATORY REIMBURSEMENT

A SERIOUS DANGER TO THE SAFETY NET & PUBLIC HEALTH

PREPARED FOR THE WISCONSIN GOVERNOR'S TASK FORCE
ON REDUCING PRESCRIPTION DRUG PRICES

PEGGY TIGHE, J.D., PRINCIPAL, POWERS LAW & RWC-340B

- Nearly 30 years in government relations in Washington D.C.
- Practice focuses on patients, providers, and hospitals and health systems.
- Lead legislative strategist for Ryan White Clinics for 340B Access (RWC-340B).
 - National organization of HIV/AIDS medical providers receiving support under the Ryan White CARE Act.
 - The CARE Act provides funding for services primarily to poor and/or uninsured people with HIV/AIDS.
 - Ryan White providers are eligible to participate in the federal 340B Drug Discount Program, which enables them to expand and support care.
- Focus on legislative work and advocacy with Congress and State Legislatures
- Recently testified before Tennessee Senate on Discriminatory Reimbursement.

WHO ARE 340B SAFETY NET PROVIDERS?

- The 340B program is one of the most effective means of providing drug discounts to those most in need...at no cost to federal or state taxpayers.
- 340B safety net providers are defined in federal statute and include not-for-profit Ryan White Clinics, Community Health Centers, children's and cancer hospitals, hospitals that care for more Medicaid and Medicare patients (DSH) hospitals, State AIDS Drug Assistance programs, hemophilia treatment centers, and other safety net providers.

WHAT IS DISCRIMINATORY REIMBURSEMENT?

- Discriminatory reimbursement refers to the growing practice among pharmacy benefit managers (PBMs), other third party payers, and some manufacturers who...
 1. offer 340B safety net providers and their in-house or contract pharmacies lower reimbursement rates than those offered to non-340B entities;
 2. establish 340B-specific barriers to participating in payer's pharmacy network;
 3. exclude 340B safety net providers' pharmacies from pharmacy networks entirely;
 4. determine by drug which drugs it will offer as 340B; and/or
 5. create a "voluntary" reporting scheme that would undermine the safety net's ability to receive drugs at 340B prices.

FEDERAL GOVERNMENT ON DISCRIMINATORY REIMBURSEMENT

- Health Resources and Services Administration (HRSA), which administers the 340B program, has gone on record expressing its concern...
- “if covered entities were not able to access resources freed up by the drug discounts when they...bill private health insurance, their programs would receive no assistance from the enactment of section 340B and there would be no incentive for them to become covered entities.” HRSA (July 2005)
- “By pursuing [a discriminatory reimbursement] policy, insurers may make it cost prohibitive for certain safety net providers to participate in the 340B program and reduce services to their patients.” Letter from J. Somsak, Associate Administrator, Health Systems Bureau, HRSA (12/22/11)

RESPONSE FROM THE SAFETY NET

- Safety net providers participating in the 340B program are united in belief that discriminatory reimbursement undermines purpose of 340B program by
 - effectively transferring financial benefit of the program to non-340B PBM or payer;
 - reducing safety net providers' resources to care for needy patients; and
 - increasing costs to taxpayers
- For Ryan White Clinics (RWCs) – who are on the front lines of the pandemic and fighting to end the HIV/AIDS epidemic – Discriminatory Reimbursement is especially devastating.

EXAMPLES OF DISCRIMINATORY ACTIONS PBMS AND INSURERS

PBMS AND INSURERS

- PBM manuals, policy statements stating specifically that 340B entities will be treated differently than non-340B entities.
- Proposed contracts for pharmacy services noting that 340B entities will be paid a new contract term that is exactly less the 340B discount from the previous year or significantly reduced reimbursements.
- Contract terminations specific to 340B providers not noting any cause
- Exclusions from provider networks or forcing all 340B entities into 340B-only networks.

EXAMPLES OF DISCRIMINATORY ACTIONS: MANUFACTURERS MERCK

- July 6: Merck asked 340B providers to submit information for all its products purchased under 340B to a web-based platform, requires incredibly burdensome uploading of information on a weekly basis.
- Merck said that failure to submit data would require them to take steps that are “less collaborative, and substantially more burdensome.”
 - Safety net providers expect “penalty” for not signing up to be..
 - Manufacturers will refuse to pay wholesalers the difference in the price wholesalers paid and the 340B price.
 - Impact: Removes wholesalers from 340B sales, they won't participate at a loss. Effectively removes benefit of the 340B program from the safety net.

EXAMPLES OF DISCRIMINATORY ACTIONS: MANUFACTURERS ELI LILLY

- Within 24 hours of Merck's announcement, Eli Lilly announced that it will no longer provide 340B-priced Cialis to contract pharmacies.
- Dangerous precedent for 340B program as any drug manufacturer could unilaterally decide to remove any 340B drug from contract pharmacies.
- Announcement posted on HRSA website.
- Challenge to HRSA regulatory authority. "There is no statutory obligation to provide 340B priced product to contract pharmacies," according to [Lilly FAQs](#).
- Causes uproar among 340B Covered Entities, including serious discussions about lawsuits.

EXAMPLES OF DISCRIMINATORY ACTIONS: MANUFACTURERS ELI LILLY

Effective, July 1, 2020, Lilly is limiting distribution of 340B ceiling price product of these Cialis formulations directly to covered entities and their child sites only. Contract pharmacies will not be eligible to receive these formulations of Cialis at the 340B ceiling price. Any contract pharmacy orders placed with a wholesaler as of June 30 will be honored. Covered entities that do not have an in-house pharmacy may contact 340B@lilly.com regarding the exception process to designate a contract pharmacy location.

STATE PROHIBITIONS ON DISCRIMINATORY REIMBURSEMENT

- Laws enacted in West Virginia, Minnesota, Montana, Oregon, Rhode Island, South Dakota, and Utah.
- Georgia Recently Passed Pro-340B Prohibition on Discriminatory Reimbursement, Legislation Awaiting Governor's Signature
- Stalled Legislation: Tennessee, Florida
 - Tennessee Advances Template Resolution for State Legislatures
- PBM Reform: Moving Vehicle for Discriminatory Reimbursement

STATE LAWS PROHIBITING DISCRIMINATORY REIMBURSEMENT

	West Virginia SB 489	Minnesota SF278	Montana SB 335	Oregon HB 2185	South Dakota HB 1137	Utah SB 138	Georgia HB 946
Enacted into law	Feb. 26, 2019	July 26, 2019	April 30, 2019	July 15, 2019	March 7, 2019	March 28, 2020	July 2, 2020
General 340B nondiscrimination provision	✓	✓	✓	✓	✓	✓	✓
Protects all types of 340B safety net providers from discriminatory arrangements	✓	✓	✓	✓	✓	✓	✓
Prohibits discriminatory arrangements by PBMs and third party payors	✓	X (Exempts managed care contracts)	✓	X (Prohibits only PBMs from such practices)	X (Prohibits only PBMs from such practices)	X	X (Prohibits only PBMs from such practices)
Specifically prohibits chargebacks or other adjustments based on 340B eligibility	✓	X	X	X	X	✓	✓
Prohibits discrimination that interferes with the patient's choice to receive drugs from a 340B entity	✓	X	X	X	X	✓	X

340B STATE OPPORTUNITIES: GEORGIA PENDING LAW

- 302 (b) On and after July 1, 2021, a pharmacy benefits manager shall not:
- 303 (1) Discriminate in reimbursement, assess any fees or adjustments, or exclude a
- 304 pharmacy from the pharmacy benefit manager's network on the basis that the pharmacy
- 305 dispenses drugs subject to an agreement under 42 U.S.C. Section 256b; or
- 306 (2) Engage in any practice that:
- 307 (A) In any way bases pharmacy reimbursement for a drug on patient outcomes, scores,
- 308 or metrics; provided, however, that nothing shall prohibit pharmacy reimbursement for
- 309 pharmacy care, including dispensing fees from being based on patient outcomes, scores,
- 310 or metrics so long as the patient outcomes, scores, or metrics are disclosed to and
- 311 agreed to by the pharmacy in advance;
- 312 (B) Includes imposing a point-of-sale fee or retroactive fee; or
- 313 (C) Derives any revenue from a pharmacy or insured in connection with performing
- 314 pharmacy benefits management services; provided, however, that this shall not be
- 315 construed to prohibit pharmacy benefits managers from receiving deductibles or
- 316 copayments.
- 317 (c) This Code section shall also apply to pharmacy benefits managers' reimbursements to
- 318 dispensers."

TN STATE RESOLUTION ON 340B

- 340B is regulated at the federal level and has not been on the minds of state policy-makers until recently.
- Focus on educating Legislators on the federal 340B program, that is now in play in many state legislatures.
 - Advancing bills
 - Introducing resolutions
 - Testimony
 - Coalition-building

A RESOLUTION to honor and commend 340B entities providing health care to vulnerable Tennesseans.

WHEREAS, enacted in 1992 by the federal government, the 340B Drug Pricing Program is intended to permit eligible safety-net providers to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services; and

WHEREAS; under the 340B Drug Pricing Program, covered entities obtain discounted prices for certain medications and provide them to an eligible patient regardless of the eligible patient's healthcare payor source, unless the source is Medicaid; and

WHEREAS, the 340B Drug Pricing Program is designed to provide a pricing benefit to safety-net providers with the intent that providers use the savings to reinvest in their programs and enhance medical services to uninsured and underinsured patients; and

WHEREAS, for more than twenty-five years, the 340B Drug Pricing Program has provided financial help to eligible safety-net hospitals and clinics serving Tennessee's most vulnerable patients, the uninsured, and the underinsured, such as children battling cancer and people living with HIV; and

WHEREAS, there are approximately 684 registered safety-net covered entities that participate in the 340B Drug Pricing Program, including 610 grantees composed of community health centers, Ryan White HIV clinics, tuberculosis clinics, and seventy-four hospitals; and

WHEREAS, during the COVID-19 crisis, 340B entities have been providing care to indigent patients all over the State because of the savings they receive through the 340B Drug Pricing Program, and, without these savings, these entities would not be able to provide free testing and other services during these unprecedented times; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE ONE HUNDRED

WHY PROHIBITIONS ON DISCRIMINATORY REIMBURSEMENT ARE NECESSARY

- Manufacturers are required by federal law to provide these discounts to the safety net, [42 U.S.C 256b](#).
- Manufacturers are finding ways to avoid this responsibility to provide discounts on drugs to safety net providers.
- Manufacturers were unsuccessful in trying to shrink the 340B program in Congress (2017-present), why should they be permitted to do it through those with whom they contract (PBMs and insurers), through state legislative action, or by their own actions?
- 340B discounts represent just over 2% of overall drug company revenues (American Hospital Association and 340BHealth).

WHY PROHIBITIONS ON DISCRIMINATORY REIMBURSEMENT ARE NECESSARY

- The 340B program is one of the most effective means of providing drug discounts to those most in need....at no cost to federal or state taxpayers.
- Threatening, or not protecting this program, represents the OPPOSITE of tackling rising drug prices.
- Now, more than ever, the safety net is doing what it is meant to do – protect public health.
- Ryan White Clinics will not only be able to help their vulnerable patients through the pandemic, but may also be irreparably harmed in their fight to end the HIV/AIDS epidemic if these practices are allowed to continue.

[RWC340B Talking Points on Discriminatory Reimbursement](#)

**MAIN ASK: PLEASE PROTECT THE SAFETY NET FROM
DISCRIMINATORY REIMBURSEMENT**

We call on states to protect the safety net by prohibiting manufacturers or their agents from shrinking the discounts provided to the safety net through the 340B program.

Thank you for the Opportunity to Present.

Questions?

CONTACT INFORMATION

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