The Situation

On July 1, 2011, Alameda County, California, launched the HealthPAC (Health Program of Alameda County) program for uninsured Alameda County residents, which expanded and replaced the former County Medical Service Program.   In December 2011, Alameda County Health Care Services Agency, which manages HealthPAC, a Low Income Health Program (LIHP), learned that they would assume responsibility for drug costs for people living with HIV transitioning from the AIDS Drug Assistance Program (ADAP) to the LIHP as part of California's "Bridge to Reform." This project is part of Medicaid expansion to prepare for healthcare reform's implementation in January 2014.

The Problem: High-Risk Population; High-Cost Medications

This new, high-risk population must maintain continuity of care and access to their medications. These expensive medications had an average cost per prescription of $765.71 in 2011. When Doug Del Paggio, PharmD, MPA, Director of Pharmacy Services for Alameda County, heard that HealthPAC would be covering expensive HIV medications, he and his colleagues began to plan.

"We couldn't afford these medications, all expensive brand-name drugs," he said. "The potential amount on the drug spend *was four times what we had budgeted*. We couldn't do this without 340B discounts, which led us to seek out a 340B solution, but the 340B Program is very complex and was new to us."

The 340B Drug Pricing Program, overseen by the Health Resources and Services Administration (HRSA), allows eligible healthcare organizations to purchase outpatient drugs at significantly reduced prices so they can stretch resources. The 340B program is complex, has grown, is under scrutiny, and is experiencing many changes, which requires specialized expertise in setup and management.

The Solution

The County began exploring options for cost-effective program implementation and management while ensuring continuity of care. The County was approached by other 340B vendors, but sought out Ramsell based on the high recommendation from a large California county Ramsell was managing. According to Del Paggio, the County selected Ramsell based on its:

- 340B knowledge – program and pharmacy perspective
- Comprehensive and logical 340B system
- High recommendation
- Expertise in HIV management
- Cost

Ramsell340B Implementation

Ramsell implemented a 340B program with a hands-on approach in every aspect of contracting, relationship building and program setup. Ramsell implemented standard pharmacy benefit management services to ensure the County received lowest price using "lesser of" logic. Ramsell conducted an analysis of the HIV-focused formulary; of the population needs to ensure continuity of care; and targeted contract pharmacies for inclusion.

The 340B Pharmacy Network Build for the County

Ramsell built a 340B pharmacy network, selected specifically for this population, and managed relationships with various covered entities, pharmacies and wholesalers. Ramsell managed the HRSA registration process for each pharmacy, and set up the wholesaler "ship-to, bill-to" accounts for each contract for the County – a process, according to Del Paggio, is very time consuming and complicated.

"I had baseline knowledge of 340B, however, I didn't fully comprehend how complex the program was until we worked through it," Del Paggio said. "The wholesaler setup, and particularly the ship-to, bill-to setup, is challenging, and it takes a long time. Ramsell helped us understand the setup, the challenges, and what needed to be done as they set it up.

"Ramsell's community pharmacy experience and deep understanding of 340B facilitated extensive education for our pharmacies to help them understand the program from the pharmacy perspective," he added.

Unpredictable Challenges in Program Setup

"There were so many outside challenges that came up during implementation that were completely out of Ramsell's control," Del Paggio said. "However, they are agile and were able to deal with the obstacles." He listed the following 340B challenges with this particular program:
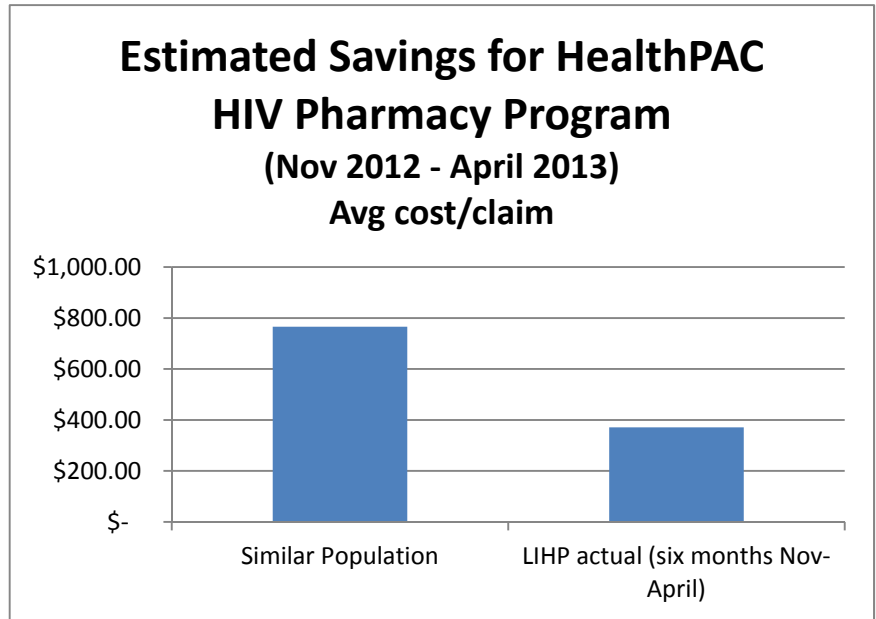
- HRSA changed its registration schedule to quarterly in the middle of the implementation
- Hurricane Sandy impacted the HRSA registration site and process for pharmacy setup
- Some pharmacies lacked 340B knowledge, and required a lot of education
- Some of the pharmacies were acquired during the implementation, which impacted pharmacy and wholesaler setup
- Some covered entities did not have an existing wholesaler contract, which impacted setup time

Results

Ramsell successfully implemented the County's 340B program, which resulted in:

- **A savings of 52% on medications**
- **Accelerated implementation time**
- **Comprehensive 340B network designed for the patient population**

"Our implementation exemplifies the complexity of 340B," Del Paggio said. "Ramsell supplies detailed information better than most vendors. With every twist and turn, Ramsell was addressing the obstacles. We received very detailed information that not only helped us understand the problem, but also helped to educate us about the program.

Estimated Savings for HealthPAC HIV Pharmacy Program
(Nov 2012 - April 2013)
Avg cost/claim

Similar Population	~$770.00
LIHP actual (six months Nov-April)	~$370.00

Y-axis: $-, $200.00, $400.00, $600.00, $800.00, $1,000.00

"Ramsell is very committed to the populations it serves, and has solutions geared toward the populations with which we work," he added, "and they are also a very friendly team."

Ramsell340B™ delivers a comprehensive technology solution and in-depth expertise you can trust to help your covered entity connect the pieces and streamline administration so you can **increase access, improve outcomes, reduce costs and realize more value**. We provide administrative, clinical and technical services and configurable technology to streamline program management, and ensure compliance and oversight with an eye on audit-readiness. For more information, call Jerry Crank at 510-587-2660.