



## Legislation Text

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**File #:** 15-0275, **Version:** 1

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Health and Human Services Agency (HHS), Public Health Division, recommending the Board adopt Resolution **040-2015** to:

- 1) Authorize HHS to complete a 340B Participant Change Form to reinstate the 340B Provider Identification that allows HHS to participate in the 340B Drug Pricing Program maintained by the Federal Department of Health and Human Services, Health Resources and Services Administration; and
- 2) Delegate authority to the HHS Director, or designee, to execute and submit, in the name of the County of El Dorado, the 340B Participant Change Form and any future documents required to re-establish and maintain enrollment in the 340B Drug Pricing Program or similar program.

**FUNDING:** MediCal, Title X, Title 19, State and Public Health Realignment.

**Fiscal Impact/Change to Net County Cost**

There is no Net County Cost associated with participation in the 340B Drug Pricing Program. This program will result in some pricing discounts, and sufficient appropriations have been included in the Fiscal Year (FY) 2014-15 Budget, and will be included in future FY Budget requests.

**Background**

The 340B Drug Pricing Program is a Federal program, established in 1992, that allows specific categories of safety-net providers including some hospitals, clinics, and health centers to procure outpatient prescription drugs at discounted prices. Drug prices under 340B are generally less than the net cost of drugs paid by state Medicaid programs. Beginning in 2007 until April of 2014, Health and Human Services Agency's Public Health Division (HHS) participated in the Federal Department of Health and Human Services, Health Resources and Services Administration (HRSA) 340B Drug Pricing Program (340B Program) under the administration of the California Department of Public Health Infectious Disease Branch structure. Due to changes in the Federal requirements, the State discontinued its role as the 340B Administrator deferring this responsibility to each local Public Health jurisdiction. A registration or a change request form can be submitted only on a quarterly basis through HRSA. The next submittal period is scheduled for April 1, 2015 through April 15, 2015.

The 340B Program offers eligible safety net health care providers access to low-cost medications, which allows them to expand the type and volume of care they provide to the most vulnerable patient populations. It requires drug manufacturers to provide outpatient drugs to eligible provider entities at significantly reduced prices.

Only nonprofit health care organizations that have specific Federal designation or who receive funding from Federal sources are eligible, can register, be enrolled, and purchase discounted drugs through the 340B Program. This includes local public health jurisdictions. Eligible clients for drug discounting must receive a health care service or a range of services from the covered entity that is consistent with the service or range of services for which grant funding is available. In addition, drug discounting is available for services that are mandated under the conditions of California Welfare and Institution Code 17000.

Drugs purchased through the 340B Program must be limited to outpatient use and provided to eligible clients. The use of 340B pharmaceuticals is dependent on client eligibility and the clinical circumstances that pertain to the care of the individual.

### **Reason for Recommendation**

HHSA recommends approval of this Resolution to re-establish 340B certification as it will result in cost savings for the provision of mandated services requiring the application of the identified eligible drugs under the pricing program, and specifically situations of communicable disease.

Without this Resolution, delegating authority to the HHSA Director to sign the 340B Participant Change Form and any other future documents needed to maintain enrollment in the 340B discounted drug program or similar program, access to affordable treatment will be impeded and higher pharmaceutical costs will be incurred.

### **Clerk of the Board Follow Up Actions**

1. Clerk of the Board to obtain signature of the Chair on two (2) original Resolutions.
2. Clerk of the Board to return one (1) signed original Resolution to HHSA at 3057 Briw Road.

### **Contact**

Don Ashton, M.P.A., Director

### **Concurrences**

County Counsel and Risk Management