



THE FQHC'S GUIDE TO Capturing 340B Program Savings



Why were FQHCs created?

Federally Qualified Health Centers (FQHCs) are crucial safety net providers of outpatient care for underserved populations. As defined by the Health Resources and Services Administration, FQHCs are non-profit organizations that:

- Provide primary and preventive health care as is typically provided in an outpatient setting
- Serve underinsured populations and/or medically-underserved areas
- Offer care on a sliding fee scale based on patients' ability to pay
- Receive government funding through Section 330 of the Public Health Service Act or other grants
- Have a governing board comprising mostly patients of the FQHC, among other requirements



What is the 340B Program?

One of the ways that FQHCs increase revenue and recoup savings so they can provide free and low-cost patient care is through the 340B Drug Pricing Program.

The U.S. government started the 340B Program in 1992 to allow qualifying hospitals and health centers — referred to as covered entities — to purchase outpatient prescription drugs for their patients at substantial discounts. These discounts range from 20% to as high as 50%. FQHCs may be reimbursed at the full rate if the prescription is filled at a designated contract pharmacy.

This process gets tricky when the health center's physicians refer patients for

specialty care and the FQHC is unable to compliantly close the loop on patient care. For example: When the FQHC refers a 340B patient to a specialist, the health center is entitled to the full reimbursement rate on any prescription that specialist writes — assuming the health center can prove ownership of the patient's care.

Many FQHCs lack a good way to prove ownership and capture prescriptions from referrals, causing them to miss out on significant savings. In fact, the average 340B capture rate is just 2% for prescriptions written by a specialist outside a covered entity. In other words, FQHCs lose 98% of these revenue-generating opportunities.



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How do you capture more 340B prescriptions from referrals?

It's not the FQHC's fault that they're missing these savings.

One major challenge is that health centers lack visibility into when and where their PCPs are directing patients for specialty care. Without a clear understanding, it is nearly impossible to capture savings from prescriptions those specialists write.

That's why software that allows FQHCs to schedule specialist appointments right at the point of care and track that they happened is so useful. By booking at the point of care, FQHCs document where the patient will receive specialty care and immediately bump up patient show rate for specialty care to 74% for Medicaid patients (compared to the current 34% average show rate).

A second barrier is that FQHCs lack a system to direct patients to contract



How do you capture more 340B prescriptions from referrals? continued

pharmacies where health centers have arrangements to be reimbursed in full for prescriptions. Many health centers cannot bear the cost or burden of having an internal pharmacy, so they contract with external pharmacies to dispense the drugs that the health center has purchased at a discount. But when patients fill their prescriptions elsewhere, health centers do not benefit from the savings.

Tech-enabled solutions can help PCPs determine the most convenient contract pharmacy for the patient and send them there for qualifying prescriptions, simultaneously improving the patient experience and setting up the FQHC for higher reimbursements on 340B drugs.

A third difficulty is that specialists need an efficient way to close the loop with FQHCs. Without proper documentation sent back to PCP, the health center can't capture the prescription savings.

The right software enables medical records to be shared between the PCP and the specialist, creating an audit trail for the covered entity to claim 340B savings. ReferWell not only provides this type of cloud-based platform, but also offers an Operations team to follow up with specialists when necessary and ensure that they close the loop.



The Secret Connection Between Show Rate and 340B Compliance

Technology offers many ways to improve 340B prescription capture — from directing more patients to contract pharmacies to getting specialists to close the loop with patient data sent back to the referring PCP — and one not-so-obvious but effective strategy: improving patient show rate.

A 2016 study found that the average patient no-show rate for both primary care and specialist appointments combined was about 20 percent. When you look at specialist appointments exclusively, however, the data is more concerning. Patients miss 50% of all specialty referral appointments.

Narrow it down even further to patients insured by Medicaid — as about 41% of the FQHC's patients are — and you find that only 34% of Medicaid patients go to their specialists when referred by the FQHC provider. In other words, nearly half of the FQHC patient population has a no-show rate at specialty referrals of 66 percent! Even when these patients don't miss their referral appointments, only 20% of specialists close the loop and send notes back to the FQHC. That means, best case, you're only capturing 340B prescription savings for less than 7% of your patient population!



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Decreasing No-Shows to Increase 340B Prescription Capture

If you could give your patient show-rate a quick boost, your FQHC could quickly capture more 340 savings. But many 340B software solutions do not focus on appointment scheduling and reminders, which can easily increase the show rate at specialty referrals.

When you schedule specialist appointments right at the point of care and track that they happened FQHCs immediately bump up patient show rate for specialty care to 73% for Medicaid patients. Of course, this benefit extends beyond just Medicaid patients. Health Centers using ReferWell's 340 Program solution have seen a 110% increase in patients showing up to their specialist appointments. That means greater 340B savings for you, more access and better care management for patients.

And, once these additional patients show up, the same technology encourages more specialists to close the loop. You receive audit-proof evidence that the appointment happened so you can improve 340B compliance without disrupting or adding to your workflows.



Booking specialist appointments at the point of care **increases Medicaid patient show rate to 73%.**

Driving efficient care transitions through the last mile

ReferWell connects providers into Virtually Integrated Networks that optimize transitions of care. We help you drive the patient journey through the last mile with complete visibility into all interactions — so providers and payers can close the loop efficiently.

With our system, you'll direct patients toward the highest-quality providers, increase patient compliance, reduce leakage and close more care gaps. Clients raise revenue by increasing keepage, improving STAR ratings and getting more members' HCC coding updated. Our comprehensive suite of services connects to all your EMRs for streamlined referrals, point-of-care appointment scheduling and care team support, including provider directory management, eConsult and telehealth capabilities.

Talk to the ReferWell team today to learn more.

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