

CASE STUDY

340B Compliance and Optimization

Client Background

- Large comprehensive non-profit hospital with two primary campus locations, a large outpatient cancer treatment center, various outpatient clinics, nursing homes, behavioral health centers, home health/hospice services, and community outreach programs.
- Disproportionate care (DSH) 340B hospital covered entity (CE) operating a 340B program with over 70 offsite 340B child site locations and 86 contract pharmacies.

Problem

When this large national non-profit hospital first reached out to Turnkey (a SpendMend company), the Director of Pharmacy (DOP) had been managing the program as part of her daily duties for several years. However, with increasing mandates for HRSA compliance, risk mitigation and 340B savings from hospital leadership, her time was getting spread too thin despite having recently hired a 340B Manager.

Both the DOP and 340B Manager determined an important first step was to arrange for a third-party external audit to establish a baseline of the risks and benefits, and to find a trusted source of information that could address their specific program. They were primarily concerned about “what they didn’t know”.

Solution

Turnkey performed a comprehensive 340B analysis while also preparing the DOP, 340B manager, and other applicable hospital staff for a formal HRSA audit. The audit was interactive and allowed for in-depth questions and discussions about the various operational strategies. Practical recommendations were provided based on Turnkey’s experience from many HRSA audits and client audits.

During the audit closing conference, the hospital’s CFO requested that Turnkey staff continue to work with pharmacy leadership to further focus on 340B savings. As a result, Turnkey offered a risk-free option to engage in ongoing optimization services, with Turnkey only getting paid based on the hospital’s resulting realized savings. The hospital continues to engage Turnkey for annual external audits and ongoing guidance and recommendations.

Result

The DOP and 340B Manager have achieved a high level of compliance and continue to improve their 340B program. Additionally, significant 340B savings have been obtained through both Turnkey and non-Turnkey proposed opportunities. Recently, the hospital’s 340B program was formally audited by HRSA. Turnkey staff provided pre-audit and onsite audit support and there were no findings.

“The Turnkey audit worked better than we could have imagined. They ensured we were HRSA compliant while showing us many opportunities for savings. We are a customer for life.”

-Director of Pharmacy