

CHCF Health Care Leadership Program Health Care Improvement Project (CHIP) Summary



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CHIP Title: Maximizing 340B Revenue.

Project Description:

Central City Community Health Center, Inc. is a federally qualified health center that relies on 340B savings to supplement our care to the uninsured and underinsured communities we serve. Unfortunately, our 340B program has never been optimized to fully realize the full benefits of the program. In 2021, we were experiencing multiple organizational barriers including lack of 340B program awareness among our staff, not capturing savings from providers we refer our patients to, and many missed opportunities that led to potentially millions of dollars being left on the table.

A multipronged program was developed to address these challenges, including a quarterly training program, 340B resources for providers/staff/patients, referral capture, and implementation of an in-house pharmacy. The immediate goal was to increase 340B revenue by at least \$1 million and begin referral capture by December 2023.

Key Findings and Lessons Learned:

I started this project in 2021 and we are at the implementation stage. While we have significantly increased our claims capture rate and have subsequently seen increased savings, a huge barrier has impeded our ultimate goal of increasing revenue.

In June 2020, pharmaceutical drug manufacturers began implementing restrictions on the 340B program, severely restricting our ability to capture savings used to support our uninsured and underinsured patients. When the project began, only 4 manufacturers had implemented restrictions on 340B, which had not yet impacted us too greatly. However, we are currently navigating restrictions from 28 manufacturers who are imposing unilateral cuts on 340B savings. It has had a severe impact on our bottom line and may have a potentially devastating impact on our patients. It has also made it difficult to clearly show the impact this program has had, as I am now fighting an uphill battle and every gain is negated by an ever-increasing number of manufacturers who are voluntarily pulling out of the 340B program.

While there is no clear way around the manufacturer restrictions at this point, advocacy at a local, state, and national level is crucial. The materials I have created are now being requested nationally and I have been asked to join several 340B advocacy boards as a result. I hope to use lessons learned during this project to further advance the ability of safety net organizations to take care of our most vulnerable populations.

Next Steps:

- Continue to improve upon and provide a training program for all levels of the organization.
- Implement the referral capture process to further render savings back to our organization.
- Perform a feasibility study to determine if we can support and implement an in-house 340B pharmacy to service our patient