

Spend Optimization

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LEARNING OBJECTIVES

At the completion of this activity, the participant will be able to:

- Prepare new Buyers for 340B and Savings Opportunities
- Seek out sub-WAC opportunities
- Increase transparency with internal team(s) and TPA
- Utilization of third-party reporting and data for quicker decision-making



New Buyers & 340B

- 340B – It CAN be intimidating
 - Marathon – Not a Sprint!
- Don't fixate on accumulations – savings will come
 - Variance with census, patient population, provider preference, etc..
- WAC Spikes – “See something, say something”
 - High WAC spend that doesn't match IP/OP Dispenses
- Keep your support staff & resources close
 - Lean on your team
 - 340B continues to change, sometimes daily



New Buyers & 340B

- Definition of an Outpatient drug and make sure this is reflected in your 340B policy.
- Have a foundation knowledge of the TPA process at your institution
- Importance of purchasing a consistent NDC



Capitalizing on sub-WAC Contracts

- “Good WAC”
 - The type of WAC Finance loves 😊
- Vendors knowledge of sub-WAC agreements
 - More and more Suppliers getting familiar with sub-WAC concept
- Taking advantage of sub-WAC savings – Staying compliant with GPO
 - DSH Facilities utilizing sub-WAC contracts for cost savings
 - Negate any GPO compliance penalty
- Inclusion of sub-WAC purchases within GPO contracts
 - sub-WAC purchases to specific supplier agreements (i.e. rebate)
- Leverage with suppliers to capture more sales volume
 - DSH sites can negotiate with suppliers for competitive sub-WAC pricing to bring in sales volume



Capitalizing on sub-WAC Contracts

- Our analytic tools automatically default to better WAC prices, or they will recommend switching to an alternate NDC
- Educate vendors of the need to have competitive pricing on both the GPO and WAC accounts
- Suggest to manufacturers they reach out to the Prime Vendor for sub-WAC contracts
- Negotiate a individual agreement for discounted price to be loaded on your WAC accounts



Spend Transparency

- Working closely with 340B Team and TPA
 - Weekly meetings – Addressing any issue(s) throughout system
- Spend initiatives and clarity – to ensure compliance
 - Assurance all parties on the same page
 - Checking with 340B Team that proposed initiative is compliant
- Purchasing Questions/Concerns
 - High WAC Volume – Why?
 - Orders not splitting correctly
 - How orders affect vendor agreements/GPO compliance

340B
Midwest Regional
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Spend Transparency

- 340B team meets with the buyers weekly to discuss any 340B–related purchasing concerns:
 - NDC changes, including inner/outer
 - Package size changes
 - Accumulation anomalies
 - High WAC volume due to an NDC change
 - See if manufacturer will allow transfer of accumulations from old NDC to New NDC
- EXAMPLE:





August 5, 2024

Product NDC and Vial Presentation Change for DOXOrubicin Hydrochloride Injection, USP 200 mg/100 mL (2 mg/mL) Multiple Dose Vial

Dear Valued Customer,

Pfizer Hospital is committed to keeping you informed of product changes so that you can plan for patient care. The purpose of this letter is to make you aware of an impending NDC and vial presentation change for **DOXOrubicin Hydrochloride Injection, USP 200 mg/100 mL (2 mg/mL) Multiple Dose Vial**. While there is a difference in NDC, label and vial presentation, as detailed in the Product Information table below, please note there is no change to unit of use price, unit of sale size or indications.

We are requesting that customers begin to order the new NDC, 00069-1542-20, for any future orders. The current NDC, 00069-3034-20, is already depleted. It is anticipated that the new NDC will be available at wholesalers and distributors beginning the week of August 26, 2024 (please note locational inventory may vary).

340B INVENTORY REPLENISHMENT

Pfizer recognizes that a product transitioning to a new NDC number can impact product inventory accumulations for 340B covered entities. The Product Table below outlines both the existing and new NDCs. Because the new NDC is for the same product (drug, dosage form, and package size), and has the same 340B price as the corresponding existing NDC, eligible 340B covered entities may use a 340B compliant inventory replenishment model to transfer accumulations of the old NDC toward replenishment of equal quantities of the corresponding new NDC.

Taking
Advantage of
Data
Platforms



Taking Advantage of Data Platforms

- Platforms that Integrate with Purchase/Contract Data
 - Quicksort Rx, Trulla, CostCheck
- Instantaneous Change – Quicker Response time to Variance
 - Price/Contract change (or drop off) can be seen within 24 hours
- Purchase and Contract Tracking
 - Product conversion realized savings
 - Current/Previous Contracts Loaded
- 340B and GPO Compliance module
 - Modules within WAC/WAC Premium – Similar to TPA Portal
 - GPO Compliance Tracking – parsed out by DSH/GPO Sites
- Parlay with wholesaler, TPA, GPO tracking for complete picture



Taking Advantage of Data Platforms

- Regular meetings with the TPA representative, 340B team and buyers to review WAC spend.
 - Differentiate “good” VS “bad” WAC and determine the root cause for the “bad” WAC.
- Utilize purchasing software tool
 - reviews purchase at the NDC level and recommends alternative cost-saving NDC based on your historic 340B:WAC:GPO ratios
 - Warns if previous day order contains a spike in WAC spend of a specific NDC
- Download the Prime Vendor price file quarterly to assess if wholesaler accounts have correct 340B pricing.



NEED MORE INFORMATION?

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