



POLICY AND PROCEDURE NOTICE: FPPN-015 MEDICATION PURCHASES

Summary and Purpose of PPN: To guide the administration of the Ryan White Part A Program regarding medication purchases and maximizing the use of Ryan White funding through the use of 340 pricing for medications.

Authority: HRSA Notice of Award

Policy and Procedure:

1. Funds awarded for pharmaceuticals must only be spent to assist clients who have been determined not eligible for other pharmaceutical programs, especially the AIDS Drug Assistance Program, or while they await entrance into such programs, and/or for drugs that are not on the State ADAP or Medicaid formulary.
2. Subrecipients funded for the purchase of medications are required to enroll in discounted drug pricing through the HRSA Office of Pharmacy Affairs 340B Drug Pricing Program. The Fulton County Ryan White Part A RFP requires applicants to describe how they obtain pharmaceutical prices equal to or less than the 340B pricing level.
3. Subrecipients that purchase, are reimbursed for, or provide reimbursement to other entities for, outpatient prescription drugs are expected to secure the best prices available for such products and to maximize results for the recipient organization and its patients. Covered entities may continue to work directly with individual wholesalers and manufacturers and may participate in the 340B Prime Vendor Program (PVP).
4. Eligible health care organizations/covered entities that enroll in the 340B Program must comply with all 340B Program requirements and will be subject to auditing regarding 340B compliance. 340B Program requirements, including eligibility, can be found at www.hrsa.gov/opa.

It is extremely important that the 340B Program database has accurate information on participating entities. Pharmaceutical manufacturers and distributors increasingly enforce the requirement for exact matches of information prior to providing access to 340B pricing. In addition, entities that lose qualifying funding or that are no longer utilizing the 340B Program must be terminated from the program (through decertification during the recertification process, or through communication with the Office of Pharmacy Affairs (OPA) at any other time during the year) to ensure program integrity.

5. Sub-recipients are also required to complete an annual certification upon notification of the due date from OPA. The agency on file will receive notification of the annual report due date to OPA.

6. HRSA does not specify how participants should implement the 340B Program. As long as participants comply with all 340B Program requirements, they have flexibility in implementing the 340B Program.

Most covered entities choose one or more of the following options:

- **In-House Pharmacy**, in which the covered entity owns drugs, pharmacy and license; purchases drugs; is fiscally responsible for the pharmacy; and pays pharmacy staff.
 - **Contract Pharmacy Services**, in which the covered entity owns drugs; purchases drugs; pays (or arranges for patients to pay) dispensing fees to one or more contract pharmacies; and contracts with pharmacy to provide pharmacy services.
 - **Provider/In-House Dispensing**, in which the covered entity owns drugs; employs providers licensed in the state to dispense; holds a license for dispensing for the participating providers; and is fiscally responsible for operating and dispensing costs.
7. Providers shall certify in writing with each monthly invoice that medications distributed were purchased and invoiced at 340B Pricing, or lower drug pricing.

Verification:

- Review of annual 340B certification.

Approved: December 2016

Last Reviewed: January 2021