

Appendix G

Supplemental Information Requested During October 6, 2017 Briefing

During our October 6, 2017 briefing, EUHM was asked to provide additional information related to our FY 2016 numbers. Please see the detailed information below:

Supplemental Information Regarding Question 2

As requested by the Committee in its letter dated September 8, 2017, we originally calculated the amount of savings generated through EUHM's participation in the 340B Program for fiscal years 2012 through 2016 by deducting the 340B cost per invoice records from the GPO costs of the drugs. (See Appendix D of EUHM's revised letter dated Oct. 11, 2017) As we explained during our October 6, 2017 briefing, however, that calculation did not take into account various expenses that EUHM incurs on an annual basis as a result of participating in the 340B Program. We appreciate the opportunity to provide the Committee with the following breakdown of expenses required to maintain our participation in the 340B Program for FY 2016.

As you will see, these expenses include: (1) the cost of an FTE to coordinate the program; (2) foregone savings related to purchasing drugs at Wholesale Acquisition Cost versus a Group Purchasing Organization, and (3) fees incurred to maintain software to track 340B purchases and dispensing, as follows:

- (1) 340B Program Coordinator - \$71,597 (salary and benefits)
- (2) GPO-Exclusion related wholesale calculation costs (WAC) purchases – \$2,140,000
- (3) Accumulation Software Fees (Verity/Sentry) - \$281,000

Please note that, given the short time period in which to provide this information, we have not attempted to segregate other costs EUHM incurs as a direct result of participating in the 340B Program, such as percentage of additional FTEs' time involved in oversight and management to the Program, or legal, consulting, and auditing fees associated with 340B Program compliance and oversight.

Supplemental Information Regarding Question 3

During our October 6 briefing, we were also asked to provide additional information regarding the benefits EUHM provides to the community that are made possible by EUHM's participation in the 340B Program. We appreciate the opportunity to provide the Committee with the following updated list of EUHM's investments in programs benefitting the community in Fiscal Year 2016.

- (1) In FY16, EUHM invested \$3,365,063 in a number of community benefits programs that we provide to all patients, including the indigent and underserved patient populations. These community benefit programs include: (a) subsidization of home care services, (b) medication assistance programs, (c) car seats for new infants, and (d) transportation services to assist people in getting home from the hospital or to their next treatment.
- (2) In FY16, EUHM invested \$3,176,360 in patient services for its cancer center program to provide additional help for qualifying patients. These services include: (a) nurse navigators to assist patients as they coordinate multiple doctors, specialists, and other medical providers, (b) financial navigation for complex billing situations, (c) social services and nutritional assistance to help with patients' non-medical needs and (d) a patient assistance fund.
- (3) In FY16, EUHM invested \$1,432,282 in opening a second retail pharmacy to help facilitate the discharge process for patients who may have difficulty obtaining medications due to the inability to pay.
- (4) In FY16, EUHM invested \$1,760,000 in expanding the EUHM Clinical Pharmacy Program to include more clinics including neurology, multiple sclerosis, and others. The Clinical Pharmacy Program allows EUHM to facilitate the delivery of optimized medication therapy and patient education.