

Briefing:

Northern Nevada HOPES (HOPES) is a Federally Qualified Health Center (FQHC) that provides integrated medical care and support services to individuals with and without health insurance in a low-income, medically-underserved area of Washoe County, NV. By law and by mission, we serve everyone who comes to our center, regardless of insurance status or income; we turn no one away, and we provide everyone with affordable access to the full range of services we offer. Close to a third of our patients are uninsured and over a quarter are experiencing homelessness. Almost two-thirds of our patients live in families with incomes below the Federal Poverty Level (FPL); if these patients are uninsured or underinsured, they pay no more than a nominal fee to access the full range of services we offer. An additional 30% of our patients are between 101% and 200% FPL; these patients are charged on a sliding fee scale if they are uninsured or underinsured.

Founded in 1997 as the region's only HIV service provider, HOPES has provided medical, behavioral health, case management, pharmacy, and outreach services to HIV positive individuals for 20 years. In November 2013, HOPES received its FQHC designation and using a team of medical providers, behavioral health providers, case managers, pharmacists, and community health workers, began providing integrative care to medically underserved populations.

Utilizing grant dollars and service revenue, which includes 340B savings, we have created an integrative care environment offering adult/pediatric primary care, chronic disease management, including HIV and Hepatitis C (HCV) treatment, behavioral health counseling, psychiatry, Medication Assisted Treatment (MAT) for opioid users, medical/non-medical case management, radiology/ultrasound, laboratory testing, transportation assistance, rent/utility assistance, insurance/SSDI enrollment/benefits counseling, and pharmacy services coupled with medication delivery, and treatment adherence programming (medication monitoring, bubble pack). HOPES operates an HCV clinic, a colorectal cancer screening program, and a breast health program that provides screenings, diagnostic testing, and post-treatment services to uninsured/underinsured women. HOPES operates a Community-Based Case Management program that targets individuals experiencing homelessness and works to engage them into medical/BH treatment and transitional/permanent housing. HOPES also operates a Homeless Recuperative Care program providing unhoused individuals recently released from the hospital with short-term housing and case management services. HOPES recently opened the first Medical Legal Partnership in Nevada. This program addresses client's legal concerns, including family law (custody, etc.), tenant rights, discrimination, and power of attorney. HOPES will soon open a Financial Wellness Clinic, providing clients with guidance/education on topics such as credit scores, savings accounts, and managing debt. Finally, HOPES offers specialized behavioral health services including a trauma group for those newly diagnosed with HIV, a women's group geared towards recovering from trauma, substance abuse group treatment, a support group for transgender individuals, a mindfulness group for post-traumatic stress disorder, guided imagery for anxiety treatment, a group for individuals participating in the MAT program, and soon, a Dialectical Behavioral Therapy skills group.

In addition, HOPES is nationally recognized as a leader in innovation, service integration, and as a Patient-Centered Medical Home (PCMH.) According to SAMHSA's Center for Integrated Health Solutions, HOPES is a Level-6 integrated care facility ([https://www.integration.samhsa.gov/integrated-care-models/A\\_Standard\\_Framework\\_for\\_Levels\\_of\\_Integrated\\_Healthcare.pdf](https://www.integration.samhsa.gov/integrated-care-models/A_Standard_Framework_for_Levels_of_Integrated_Healthcare.pdf)), which is the highest level an agency can achieve. In May 2014, HOPES received national Patient Centered Medical Home (PCMH) Level II status recognition, and in 2017 applied for and received PCMH Level III, the highest standing possible. In June 2017, HOPES participated in a Health Resources and Services Administration (HRSA) FQHC site audit where we received a perfect score and received three innovation recognitions for our Medical-Legal Partnership and Financial Wellness programs, as well as pharmacy operations. HOPES is a Federal Health Service Corp site for medical/ behavioral health providers.

HOPES is located in a low-income area of Washoe County, and without the services the agency provides, thousands of low-income and working poor community members would not have access to vital and lifesaving health care, behavioral health, and wrap-around services. Washoe County is designated by HRSA as a Health Professional Shortage Area and a Mental Health Professional Shortage area, meaning that there are not enough medical and behavioral health providers in the area to meet the community need. According to HRSA, the highest (worst) score that an area can receive is 25. HOPES' service area has received a score of 19 for medical provider shortage and 21 for behavioral health provider

shortage (<https://datawarehouse.hrsa.gov/tools/analyzers/HpsaFindResults.aspx>). It has been stated that due to the shortage of behavioral health providers throughout the state of Nevada, between 2008 and 2012, only 31.9% of adults over the age of 18 suffering from a mental illness were able to receive the mental health treatment/counseling they needed. In addition to this, because of the high proportion of low-income individual living within HOPES service area that experience difficulty accessing affordable healthcare, HRSA has designated Washoe County as a medically underserved populations area (<https://datawarehouse.hrsa.gov/tools/analyzers/MuaSearchResults.aspx>). HOPES fills a large gap in services by providing low-income, uninsured/underinsured individuals with access to affordable medical and behavioral healthcare options.

Table 1a

<b>Number of 340B Drugs Purchased; (Number of unique NDC numbers used) 2012 - 2016</b>				
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
333	287	1,349	1,507	1,591
Number of unique 340B NDC (National Drug Codes) purchased per year.				
The growth reflected from 2013 to 2014 is consistent with our patient growth numbers as HOPES expanded into primary care services (FQHC).				

Table 1b

<b>340B Drugs Purchased and Dispensed (Percentage of prescriptions by therapeutic class) 2012 - 2016</b>					
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Analgesics	2%	0.16%	1%	6%	6%
Antidepressants	2%	2%	3%	6%	6%
Oncology treatment drugs	0%	0%	0%	0%	0%
Antidiabetic agents	1%	1%	2%	8%	10%
Antihyperlipidemic agents	4%	5%	6%	8%	7%
340B percentages calculated by number of prescriptions dispensed of therapeutic class divided by total number of prescription generated per interval.					

Table 1c, d

<b>340B Drugs Dispensed by Payer (Number of prescriptions billed to insurance type) 2012 - 2016</b>					
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Medicaid	-	-	-	-	-
Medicare	2,268	2,341	2,793	6,052	4,097
Commercial	3,783	3,727	3,849	7,384	7,942
Cash (Uninsured/Underinsured)	60	-	78	4,424	14,776
Number of prescriptions dispensed by payer type per interval.					

<b>340B Drugs Dispensed by Payer (Percentage of prescriptions billed to insurance type) 2012 - 2016</b>					
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Medicaid	0%	0%	0%	0%	0%
Medicare	37%	39%	42%	34%	15%
Commercial	62%	61%	57%	41%	30%
Cash (Uninsured/ Underinsured)	1%	0%	1%	25%	55%
340B percentages calculated by number of prescriptions dispensed by payer type divided by total number of prescription generated per interval.					

Table 1e

<b>The Amount of Savings, as Compared to the GPO Price for the Same Drug Purchased through Participation In the 340B Program.</b>					
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Estimated Annual Savings (Dollars)	\$1,412,893.00	\$1,413,969.00	\$1,555,897.00	\$2,071,020.00	\$1,915,809.00
Northern Nevada Hopes does not participate in a GPO and does not have access to GPO price lists. Saving in dollars was estimated via data provided from Apexus regarding pricing comparison of 340B vs. GPO. Based on Apexus pricing comparison data, average GPO price is 29% higher than average 340B price.					

Question #1f, g

<b>Charity &amp; Uncompensated Care Provided 2012 - 2016</b>					
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Charity Care	\$66,846.00	\$590,132.00	\$729,454.00	\$1,403,432.00	\$1,750,260.00
Uncompensated Care	\$43,255.00	\$215,587.00	\$613,039.00	\$1,855,359.00	\$3,993,001.00
Total Subsidized Care	\$110,101.00	\$805,719.00	\$1,342,493.00	\$3,258,791.00	\$5,743,261.00
Patients Served	390	975	1697	2558	2259
Charity Care is the value of charges for services provided to low income uninsured patients (those below 200% of the Federal Poverty Level), aka sliding fee scale adjustments plus patient bad debt. Uncompensated Care is the value of charges written off after receipt of the contractual insurance payment plus patient and insurance bad debt. Patients are uninsured patients served; these figures do not include underinsured patients for whom HOPES incurs the Uncompensated Care costs shown in the second row.					

Question #2

There is no 340B requirement to calculate the savings generated by the 340B program nor is there a standard for how to calculate this savings. Covered entities may choose to calculate in a variety of ways including but not limited to GPO minus 340B, WAC minus 340B, AWP minus 340B, and so on. Ensuring compliance with the regulations and requirements of participation in the 340B program while serving an underserved population has been our focus and has resulted in recognition from HRSA for innovation and excellence in our pharmacy program.

Tracking revenue generated for prescriptions billed to a patient or an insurance company using 340B inventory is a routine financial activity that is automated with an integrated dispensing, sale, inventory management and accounts

receivable software called Pioneer Rx. Sale activity is recorded monthly in the general ledger and segregated by sales using 340B inventory and Retail inventory. This information is presented to the Board of Directors monthly in interim financial statements and audited annually by the Single Auditor.

### Question #3

340B savings provides HOPES with the resources needed to address the unmet healthcare and support service needs of people living in our community. These savings assist the agency in creating a system of care that helps low-income and working poor members of our community achieve and stay healthy, thus creating a healthcare environment that supports and enhances public health activities in Washoe County. HOPES utilizes 340B savings to cover the cost of providing comprehensive, integrative care to low-income members of our community. One third of the patients seen at HOPES are uninsured and one quarter are experiencing homelessness.

- To offset the costs of offering a sliding fee scale to uninsured patients below 200% FPL: HOPES uses 340B savings to offset the cost of providing care to uninsured/underinsured individuals that utilize HOPES sliding fee scale (SFS), many of whom pay a nominal fee for services received (often less than \$20). As a FQHC, HOPES is required by law to offer low-income clients with affordable SFS rates, and cannot deny services to anyone for an inability to pay and/or nonpayment.
- To underwrite the cost of a comprehensive MTM services that benefits high-risk insured and uninsured patients: Medication therapy management (MTM) is typically not reimbursable by health insurance companies, however literature has shown that MTM improves patient health outcomes and ultimately lowers costs. Because HOPES operates in an integrative care setting, the agency is able to provide clients with MTM services, including treatment adherence counseling, medication monitoring, and individualized interventions tailored to increase medication compliance among high-acuity clients. Using 340B savings to underwrite the cost of a comprehensive MTM services that benefits high-risk insured and uninsured patients is an appropriate use of funds because it advances public health within our community, and ultimately helps to lower future healthcare costs.
- To cover other costs not reimbursable by insurance companies: HOPES uses 340B savings to cover direct service and operational costs not reimbursable by health insurance companies and/or funded by grants. Many of the vital services that HOPES offers, such as case management, transportation, treatment adherence counseling, financial wellness counseling, insurance enrollment activities, and housing assistance, address the “social determinants of health” that negatively affect individual’s ability to achieve optimal health outcomes. HOPES has found that addressing the social determinants of health alongside a medical model is the most successful way to approach treatment and prevention of disease in the low-income populations we serve, given that many are disenfranchised from mainstream systems. HOPES approach is supported by national research and initiatives (<https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-of-health>, <http://www.kff.org/disparities-policy/issue-brief/beyond-health-care-the-role-of-social-determinants-in-promoting-health-and-health-equity/>, <http://content.healthaffairs.org/content/21/2/60.full>).

None of the services that address/treat “social determinants of health” are reimbursable by health insurance companies and HOPES utilizes 340B savings to offset the unfunded cost of providing these wrap-around supportive services to our patients. As shown in the examples provided in this response, 340B savings benefit the HOPES community in a myriad of ways. Many of the integrative care services that HOPES provides are unique in our community and not offered by other local medical providers. Because HOPES comprehensive services and programs benefits all patients, not just those viewed as vulnerable and marginalized, all of HOPES offered wrap-around services are vitally important to public health in Northern Nevada.

HOPES provides care to complex populations that often present with multiple chronic and/or acute medical and behavioral concerns, as well as severe psychosocial stressors that impede their ability to participate in their healthcare. Serving these population presents unique challenges, as many of these clients require intensive medical, psychiatric, and case management services and have little if any money to contribute to their care. For example:

- Homelessness - Twenty-seven percent of HOPES’ clients experience homelessness. Along with not having a permanent shelter to call home, this population often presents with multiple health concerns and very limited resources. To assist clients experiencing homelessness achieve housing permanency, along

with providing medical and behavioral health care, HOPES staff provide unhoused clients with assistance accessing health insurance, social security disability, vocational rehabilitation, payee services, laundry and shower facilities, and social support networks. Case Managers at HOPES check in with unhoused clients on a regular basis to ensure they are attending their medical appointments, taking their medication, following through on accessing resources, and addressing their other unmet needs. The case management services provided by HOPES that help ensure individuals experiencing homelessness stay healthy and housed are not reimbursable by health insurance companies. 340B savings has been vital to HOPES success in working with this population.

- **People Living with HIV** – HOPES provides integrative care to individuals living with HIV/AIDS. People living with HIV face unique circumstances in their lives, ranging from AIDS related illness, untreated behavioral health concerns, and continued stigma and discrimination from the community at large, and because of this, they often need more from their care provider than mere medical care. Historically, the 340B program has allowed HOPES to stretch its resources and address the multitude of unmet needs among its HIV positive clients, including retention in care and treatment adherence activities, case management, transportation, and access to housing. All of these activities help our HIV positive client remain in care and achieve viral load suppression. Because of its positive impact on assisting people living with HIV achieve viral load suppression; any change to the 340B program that reduced savings could be detrimental to the progress that has been made in curbing the HIV/AIDS epidemic over the past 20 years.
- **Drug Users** – HOPES operates a comprehensive Medication Assisted Treatment (MAT) program that provides addiction treatment to opioid users. As seen in other HOPES' populations, many participants of HOPES' MAT program present with multiple medical and psychiatric concerns, and require individualized care that addresses their unique needs. Often, this individualized care includes multiple visits to HOPES per week, intensive case management, frequent transportation services, and additional wrap-around services designed to assist an individual identify and create solutions to potential barriers to sobriety before they become a concern. As with the populations previously mentioned, most of these services are not reimbursable by health insurance companies, and/or are reimbursed at a rate that does not fully capture the actual costs of providing their intensive and individualized services to high-risk drug users.

Although it is currently grant funded, HOPES Senior Nursing Program is worth mentioning because of the immensely valuable service that it provides to community-based seniors and the limited funding that operates the program. Currently a HOPES Nurse conducts outreach and blood pressure clinics to community based and homebound seniors throughout Washoe County. Along with helping seniors to learn ways to control their blood pressure, the Nurse works to ensure that vulnerable seniors in our community have the knowledge and tools to take their medication correctly, have the education to take control of their health, have access to resources, and are not taken advantage of and/or abused by family or community agencies. Funding for this program is often tentative and without the option to use 340B savings, HOPES would have to close the program and put hundreds of vulnerable seniors at-risk of fraud, abuse, and negative health outcomes.

Because HOPES serves high-risk populations within an integrative care setting, the agency's programs have higher costs than those of a traditional for-profit health clinic. In many cases, the cost to operate our programs exceeds the reimbursement rate we receive from health insurance carriers, and as a result, many of HOPES "billable" programs barely break even or operate at a loss. Because of the high costs associated with operating an integrative care environment that provides wrap-around support services, HOPES is unable to generate enough income from billable services alone to sustain the agency's programming. 340B savings are a vital component, which makes it financially feasible to offer our existing programming and allows us to continue expanding to meet the ever-growing need of low-income individuals living in our community.

340B savings is an integral component in HOPES ability to provide a positive impact on the local community. 340B savings has assisted the agency in serving 700 clients in 2012, to over 9,000 in 2017. This growth has created 125 new jobs in our community, all of which pay a minimum of a minimum living wage of \$15/hour. HOPES has not only provided care to more individuals, but has made a positive impact on the economic climate in northern Nevada. We are estimating that HOPES will continue to expand to serve over 18,000 individuals by 2020 in our existing location. 340B

savings has assisted HOPES in creating a fully integrative care environment, where patient care teams, medical providers, medical assistants, case managers, and behavioral health providers, are present in the clinic setting and able to provide in-the-moment care to clients at all times during HOPES operating hours. HOPES is the only Federally Qualified Health Center in northern Nevada that provides fully integrative care.

340B savings has enabled HOPES to implement programming that helps clients with chronic health conditions and/or those at risk of serious disease, achieve optimal health outcomes. HOPES operates an HCV clinic, a colorectal cancer screening program, and a breast health program that provides screenings, diagnostic testing, and post-treatment services to uninsured/underinsured women. HOPES operates a Community-Based Case Management program that targets individuals experiencing homelessness and works to engage them into medical/BH treatment and transitional/permanent housing. HOPES also operates a Homeless Recuperative Care program providing unhoused individuals recently released from the hospital with short-term housing and case management services. HOPES recently opened the first Medical Legal Partnership in Nevada. This program addresses client's legal concerns, including family law (custody, etc.), tenant rights, discrimination, and power of attorney. HOPES will soon open a Financial Wellness Clinic, providing clients with guidance/education on topics such as credit scores, savings accounts, and managing debt. Finally, HOPES offers specialized behavioral health services including a trauma group for those newly diagnosed with HIV, a women's group geared towards recovering from trauma, substance abuse group treatment, a support group for transgender individuals, a mindfulness group for post-traumatic stress disorder, guided imagery for anxiety treatment, a group for individuals participating in the MAT program, and soon, a Dialectical Behavioral Therapy skills group. All of these services are provided either for free, or on a sliding fee scale, for individuals below 200% FPL who do not have insurance to cover them. Without 340B savings to help cover the cost of unreimbursed expenses, HOPES would have to drastically cut this list of services offered, negatively impacting our ability to fulfill our charitable healthcare mission of providing comprehensive and holistic care that addresses an individual's bio-psycho-social needs and stressors.

340B funding ultimately supports HOPES operational and programming costs. HOPES comprehensive programming helps to increase health outcomes in our community, which ultimately contributes to public health initiatives and decreased long-term accrued healthcare costs. HOPES consistently achieves Continuous Quality Improvement (CQI) patient health status goals, as evidenced by FQHC CQI awards/acknowledgement for the past two years. HOPES achieves its CQI goals because of the integrative care environment that it operates within, which is a direct result of 340B savings. Without 340B savings, HOPES would not be able to offer its full-spectrum of services, and thus would not be able to successfully increase health outcomes among thousands of low-income community members living in Washoe County.

HOPES maintains multiple reporting requirements, ranging from grant outcomes, financial grant requirements, and federal/fiscal audits. All of HOPES reporting is public knowledge and thus can provide all inquiring entities a full picture of not only HOPES operations but also fiscal status. Any additional reporting requirements, including 340B reporting, would stretch HOPES valuable and limited resources so thin that it could be disastrous for the continued success of the agency.

### Question #3a

HOPES charity care to uninsured and underinsured individuals is also supported by grant dollars from the Ryan White Program, HRSA's Bureau of Primary Health Care and private donors. Additionally, HOPES leverages services offered by other community-based organizations to fill charity needs. As a health center that provides care to vulnerable and disenfranchised populations, HOPES seeks to collaborate with agencies and funders to ensure that needed services are available to all individuals living in HOPES service area, regardless of their ability to pay. Specifically, HOPES partners with agencies and funders to fill a gap in services for uninsured and underinsured individuals. For example, HOPES works with a local hospital and philanthropic funder to provide uninsured and underinsured women with access to breast cancer screenings, diagnostic testing, and post-treatment services. HOPES collaborates with a local agency who provides low-income clients with free durable medical supplies and nutritional supplements, and works with local non-profit development company to provide HOPES low-income clients with reduced rent apartment units. Additionally, three times a month the local food bank comes to HOPES to provide clients and community members with free, nutritious food. HOPES receives nominal funding from local philanthropic foundations to provide clients with rent/utility assistance, emergency housing, financial wellness coaching, and bus passes for those living with a physical/mental health disability. However, these supplemental funding sources are time-limited and not guaranteed for future funding, making the long-term security of these programs uncertain.

#### Question #3b

Our percent of billable services rendered as charity care to the uninsured patient population fluctuates between 30% and 35% of our total billable services rendered. Prior to Medicaid expansion in January 2014 65% of services rendered were to the uninsured.

#### Question #4

Yes, uninsured and underinsured patients benefit directly from the HOPES 340B program. Eligible 340B self-pay patients (defined as those below 200% FPL who are uninsured or face high copays under their insurance) benefit directly by having access to many medications. For example, we offer medications that cost \$4-5 /prescription, insulin \$10 /vial (short acting, intermediate acting, and long acting included), albuterol inhaler \$25/inhaler, Epipen \$25/box. In comparison, retail pharmacies may charge \$180/vial long actin insulin (1700% price difference), albuterol inhalers \$80/inhaler (220% price difference), and Epipen >\$550/box (>2000% price difference). Lifesaving medications that would be inaccessible are now affordable, in many cases if uninsured/underinsured patients are unable to afford discounted 340B medications we will sell below cost, provide medications free of charge, or cover copays. We are able to provide these services due to 340B savings.

HOPES offers comprehensive health care services for all of our patients, from the point the patient is established with intake, insurance eligibility is evaluated and coordinated with our social work department. Our dedicated team of social workers will help the patient establish eligible insurance benefits. If insurance coverage is pending and the patient has prescriptions, the pharmacy will work with patients that need assistance and dispense medications at a deeply discounted price or free of charge (prescription cost are covered by the clinic). From the perspective of the Pharmacy, a majority of the uninsured patients that initially fill prescriptions will have pharmacy insurance benefits within 4-6 weeks. In cases where no benefits are available, HOPES pharmacy has provided medication below 340B cost and free of charge. Barriers to medications are further removed with HOPES pharmacy free medication delivery and mail service. To further service our most vulnerable patient's we have initiated a 340B Walgreen pharmacy contract. This can allow a more convenient dispensing location and provides our uninsured and underinsured patients access to 340B discounts. The 340B Walgreen pharmacy contract passes 340B savings to 340B eligible self-pay patients (uninsured and underinsured) by allowing them to purchased drugs at a discounted price, \$0.50 inventory management fee per Rx + \$13 dispense fee on 340B items within the contract.

#### Question #5

N/A

#### Question #6

HOPES has entered into the first contract pharmacy agreement with Walgreens effective April 1, 2017. This contractual agreement is very new and is still in the early go live phase.

#### Question #6a

Yes, 340B saving are passed on to the patients via the 340 Walgreen contract. Eligible 340B self-pay patients (defined as those below 200% FPL who are uninsured or face high copays under their insurance) will pay \$0.50 inventory management fee per Rx + \$13 dispense fee on 340B items within the contract. This may arrangement result in tremendous saving especially on high cost items like insulin (retail cost Lantus > \$180/vial), inhalers (many inhalers to treat COPD, retail cost >\$160/inhaler), and Epipen (>\$550/box). The self-pay fee schedule is beneficial for expensive items (i.e insulin, inhalers) but will default to retail inventory for less expensive items on Walgreen discount generic list, uninsured/underinsured patients will always pay the lowest price available. Uninsured/underinsured patients are instructed to fill prescriptions at the HOPES Pharmacy location to obtain the largest discount on prescription medications. Medications are discounted and dispensed with free mail and delivery service on very thin margins and in many cases at a financial loss per transaction. The cost of these services are offset by the 340B contract savings.

#### Question #6b

The 340B contract allows slightly higher dispense margins to Walgreens which incentivizes collaboration with Northern Nevada HOPES. The Walgreens 340B pharmacy contract benefits all HOPES patients. Eligible 340B self-pay (defined as those below 200% FPL who are uninsured or face high copays under their insurance) HOPES patients that use Walgreens benefit thru lower prescriptions prices on many expensive items (340B cost + \$13.50/prescription), and the ability fill prescriptions at a more convenient location. HOPES pharmacy patients benefit through lower drug prices and free prescription mail and delivery services. Any additional savings generated from the contract is directed to fund the clinics many services.