

340B CONGRESSIONAL REPORT– UW Medicine

1) In a chart or similar format, please list each of the following items for 2012, 2013, 2014, 2015, and 2016:

- a. The number of 340B drugs your organization, and all associated sites and off-site outpatient facilities registered as child sites, purchased for that year. Please provide a breakdown of the number of these drugs that were purchased by the covered entity’s child sites and the number directly purchased by the covered entity;**

The University of Washington has calculated the number of 340B drugs (as unique NDCs) purchased from 2012 – 2015 using purchasing data provided to us from our drug wholesalers and vendors. During this period of time, the University of Washington Medical Center and Harborview Medical Center used purchasing portals supplied by our wholesalers to acquire drugs for our parent hospitals. Note, that our child sites do not individual purchase their own drugs. All the drugs are purchased centrally by the parent hospital pharmacies and disbursed out to the child sites.

In late 2016, our hospitals have implemented a splitting and reporting system in both hospitals to allow for greater transparency and reporting capabilities. The term “splitting” is used to describe this software, which “splits” a purchase order into up to three different accounts or classes of trade. This type of software can assist a covered entity ensuring that purchases are made on appropriate accounts, which support 340B compliance while still having one physical inventory on-hand.

	HMC (DSH500064)	UWMC (DSH500008)	Total
2012	3,242	3,096	6,338
2013	3,301	3,031	6,332
2014	4,229	4,201	8,430
2015	4,807	4,829	9,636
2016	5,233	4,900	10,133
Total	20,812	20,057	40,869

- b. The percentage of 340B drugs purchased and dispensed that fall into each of the following categories:**
- i. Analgesics**
 - ii. Antidepressants**
 - iii. Oncology Treatment Drugs**
 - iv. Antidiabetic agents**
 - v. Antihyperlipidemic agents**

This information was obtained through a manual identification process of the drugs that would fall into the aforementioned clinical categories identified in the letter. The classification was used across all purchasing accounts including parent and child site dispenses, retail pharmacies, and contract pharmacies. The percentages are based on the percent of hospital’s 340B drug spend.

	HMC	UWMC	Total
i. Analgesics	1.02%	0.71%	0.89%
ii. Antidepressants	0.29%	0.07%	0.20%
iii. Oncology Treatment Drugs	2.19%	21.71%	10.45%
iv. Antidiabetic agents	1.60%	0.64%	1.20%

v. Antihyperlipidemic agents	0.42%	0.09%	0.28%
Other	94.48%	76.78%	86.98%

c. The number of 340B drugs your organization purchased that were dispensed to insured patients, including:

- i. Medicare beneficiaries**
- ii. Medicaid beneficiaries**
- iii. Commercially-insured individuals**

To provide payer and uninsured patient information, we obtained drug dispense and payor information from multiple systems and sources, including our hospital outpatient pharmacies, our in-house retail pharmacies and our contract pharmacies administered by two different third-party administrators. These numbers are an estimate of the total number of clinic administered doses and prescriptions dispensed.

i. Medicare beneficiaries	HMC	UWMC	Total
2012	192,255	93,378	285,633
2013	201,552	107,079	308,631
2014	203,185	111,599	314,784
2015	208,460	121,983	330,443
2016	205,990	136,866	342,856
Total	1,011,442	570,905	1,582,347

ii. Medicaid beneficiaries	HMC	UWMC	Total
2012	188,594	60,601	249,195
2013	169,479	60,916	230,395
2014	272,408	85,711	358,119
2015	294,248	99,976	394,224
2016	293,012	108,261	401,273
Total	1,217,741	415,465	1,633,206

iii. Commercially-insured	HMC	UWMC	Total
2012	92,675	160,223	252,898
2013	112,389	175,633	288,022
2014	123,122	194,588	317,710
2015	95,096	206,056	301,152
2016	101,878	230,959	332,837
Total	525,160	967,459	1,492,619

d. The number of 340B drugs your organization purchased that was dispensed to uninsured patients.

Uninsured Patients	HMC	UWMC	Total
2012	228,218	61,031	289,249
2013	214,145	52,539	266,684
2014	86,126	26,965	113,091
2015	88,903	26,699	115,602
2016	102,011	34,203	136,214

Total	719,403	201,437	920,840
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- e. The amount of savings (in dollars), as compared to the GPO price for the same drug, that your organization generated through participation in the 340B Drug Pricing Program; and

To estimate the GPO savings in dollars for our mixed-use areas and retail pharmacies, we obtained the purchasing data from our primary wholesaler, secondary wholesaler, and direct vendors as requested in Question 1(a) and compared our purchase price with an estimated GPO price at the time of acquisition. During the requested time periods we did not have software which could provide this level of savings detail, so gathering this information required a manual calculation for each year. The estimate below is for hospital and retail pharmaceutical purchase savings, and 340B contract pharmacy program savings. For our retail pharmacies, Medicaid requires that we pass on the 340B cost savings for patients directly to the Medicaid program.

	HMC	UWMC	Total
2012	22,784,639	15,834,343	38,618,982
2013	24,282,264	16,650,039	40,932,303
2014	28,457,217	14,565,509	43,022,726
2015	33,913,794	21,774,743	55,688,537
2016	41,219,791	31,091,454	72,311,245
Total	150,657,705	99,916,088	250,573,793

- f. The amount of charity care (in dollars) that your organization provided;

Charity Care	HMC	UWMC	Total
2012	210,100,000	46,116,000	256,216,000
2013	219,100,000	48,925,000	268,025,000
2014	167,681,000	36,959,000	204,640,000
2015	59,964,000	18,046,000	78,010,000
2016	63,479,000	23,330,000	86,809,000
Total	720,324,000	173,376,000	893,700,000

Bad Debt	HMC	UWMC	Total
2012	51,324,000	11,843,000	63,167,000
2013	46,135,000	13,287,000	59,422,000
2014	37,580,000	6,150,000	43,730,000
2015	26,741,000	7,976,000	34,717,000
2016	28,494,000	8,971,000	37,465,000
Total	190,274,000	48,227,000	238,501,000

- g. The number of patients that received charity care from your organization.

	HMC	UWMC	Total
2012	22,817	8,330	31,147
2013	22,518	8,288	30,806
2014	17,600	6,947	24,547
2015	9,629	4,524	14,153
2016	10,009	4,855	14,864

Total	82,573	32,944	115,517
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2) How does your organization calculate the amount of savings it generates through participation in the 340B Drug Pricing program?

Information was previously provided to House Energy & Commerce Committee in our report submitted on 9/22/2017.

How does your organization track the amount of money your organization receives when an insured patients' insurance reimbursement exceeds the 340B price paid for the drug?

We do not track this information, as it is difficult to assess on a patient specific basis, whether drug reimbursement exceeds the cost of the drug and the related drug and pharmacy service cost. In most instances, we receive the 340B discount drug purchase price at the time the drug is purchased upon our utilization accumulations based on past qualified 340B eligible dispenses. Drugs purchased at the various classes of trade (340B, GPO, and WAC) are then dispensed to a variety of patients falling into various payment categories. Note also, in addition to the direct cost of the drug there are costs associated with acquiring, storing, preparing, and dispensing the drug. Lastly, payers may reimburse for an entire episode of care and not parse out specific drug reimbursement separate from other services.

3) How does your organization use program savings to care for vulnerable populations? Are program savings used for any other purposes?

a. Does your organization provide any additional charity care to uninsured and underinsured patients with funds derived from sources other than the 340B Drug Pricing Program? If so, please elaborate.

Provision of healthcare to our region's low income population is central to the mission of UW Medicine. Charity care is one component of uncompensated care costs (UCC) of services to uninsured and underinsured patients. In addition, UW Medicine incurs UCC through services provided to patients covered through government sponsored programs (e.g., Medicare, Medicaid). The Affordable Care Act (ACA) increased coverage through Medicaid expansion and significantly reduced the need for traditional charity care. Services to beneficiaries covered through Medicaid expansion, reductions to Medicare payments, and reductions to supplemental Medicaid payment programs have resulted in an increase in total UCC.

UW Medicine costs of uncompensated care are one component of community benefit costs that are reportable by non-profit hospitals on IRS Form 990 Schedule H. As governmental entities, HMC & UWMC do not file IRS Form 990. Reported UCC costs are not inclusive of all health care programs operated by UW Medicine for the benefit of the community.

UCC has been calculated as cost in excess of payments for the following categories:

	HMC	UWMC	Total
2012	143,381,758	75,847,686	219,229,444
2013	146,602,581	82,082,358	228,684,939
2014	150,990,043	86,474,921	237,464,964
2015	136,785,100	75,396,105	212,181,205
2016	166,804,642	103,372,393	270,177,035
Total	744,564,124	423,173,463	1,167,737,587

Payments in excess of cost, for commercially insured individuals, have historically provided a source of funding for services to the uninsured and underinsured patient population.

b. What percentage of the total health care services provided by your organization is charity care?

Charity Care and Bad Debt	HMC	UWMC	Total
2012	16%	4%	10%
2013	15%	4%	9%
2014	11%	2%	6%
2015	4%	1%	3%
2016	4%	1%	3%
Total	9%	2%	6%

Uncompensated Care	HMC	UWMC	Total
2012	19%	9%	14%
2013	18%	9%	14%
2014	19%	9%	14%
2015	16%	7%	11%
2016	18%	9%	13%
Total	18%	9%	13%

4) Does your organization have any policies to help ensure that uninsured and underinsured patients directly benefit from the program by receiving discounts on 340B drugs? If so, please elaborate.

UW Medicine's charity care policy provides for 100% financial assistance to persons whose income is equal to or below 300% of the federal poverty level. Hospital outpatient charity care, including pharmacy, is included in total hospital charity (figures at 1(f)).

5) How many child-sites does your organization have registered to participate in the 340B Drug Pricing Program? Please provide a list of all child-sites, including the location of the child-site and the date it began participating in the program.

Information was previously provided to House Energy & Commerce Committee in our report submitted on 9/22/2017.

6) How many pharmacies has your organization contracted with to dispense drugs purchased through the 340B drug pricing program on your behalf?

Information was previously provided to House Energy & Commerce Committee in our report submitted on 9/22/2017.

a. Do your contracts with these pharmacies require that program savings be passed on to the intended beneficiaries, including that uninsured or underinsured patients receive discounts on 340B drugs?

Information was previously provided to House Energy & Commerce Committee in our report submitted on 9/22/2017.

b. Does your organization share any program savings with these contract pharmacies? If so, please elaborate.

Information was previously provided to House Energy & Commerce Committee in our report submitted on 9/22/2017.