

CSAC COUNTY CHALLENGE AWARDS 2018: EXECUTIVE SUMMARY

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Overview: In an effort to provide comprehensive pharmaceutical access for uninsured, low income residents of Los Angeles County, the Department of Health Services (DHS) created a wrap-around retail and 340B pharmacy network for participants enrolled in the My Health LA (MHLA) program.

Challenge: DHS launched MHLA in October 2014 to provide health coverage for thousands of low-income residents unable to find coverage under federal healthcare reform. MHLA provides comprehensive primary, specialty and behavioral health services to program participants through DHS's contracted network of 200 non-profit Federally Qualified Health Centers (FQHCs). Access to prescription medicines is a critical component of providing health care to MHLA participants. Prior to the implementation of the MHLA retail/340B pharmacy network, most MHLA participants were limited to receiving their medications from their clinic's on-site dispensary. Patients often had to travel long distances to the clinic to get their medications and refills, and clinic-based dispensaries were often not open on nights, weekends and holidays, creating medication access problems during these times. In addition, dispensaries cannot legally give refills, so a patient on a medication for a chronic condition (i.e. insulin) would need to return each time he or she ran out of a medication. In addition, dispensaries cannot fill all prescriptions and they do not provide pharmacist consultative services. The MHLA program received no consistent data about medication therapies or history of its MHLA patients from the FQHCs.

Innovative Solution: DHS contracted with a Pharmacy Services Administrator (PSA) called Ventegra to create and manage a wrap-around pharmacy network for the uninsured. In partnership with the PSA, DHS created four pathways in which the MHLA patients could obtain their prescription medications: (1) **a Retail Pharmacy Network**, where *Generic low cost medications* are dispensed at any of the 1,100

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California-licensed retail pharmacy network with which the PSA is contracted, (2), a **340B Pharmacy Network**, where *specialty and higher cost medications* are dispensed at a HRSA-approved 340B pharmacy contracted with each FQHC clinic (3) **DHS Central Pharmacy**, a 340B contracted pharmacy option for FQHCs, which is a mail-order pharmacy option for patients, and (4) **On-Site Dispensaries**, for those MHLA patients who preferred the convenience of filling their medications at the clinic following their visit. A MHLA formulary is at the heart of the retail/340B pharmacy network.

Originality: To DHS's knowledge, this pharmacy network is the first of its kind, serving a residually uninsured population with a pharmacy benefit and retail network usually reserved for insured patients.

Cost Effectiveness: The estimated annual cost for the MHLA pharmacy program is \$7 million, which includes payments to the PSA, drug costs and dispensing fees. However, the savings associated with accessing and utilizing 340B drug pricing under this program is estimated to be over \$24 million.

Results: MHLA participants can now go to any of the 1,100 geographically situated retail pharmacies for most chronic disease medications, close to the patient's home or work. The inclusion of FQHC's 340B-contracted pharmacies in the network reduces the County's financial burden for the most costly medications. MHLA participants are able to obtain medications after hours, and on weekends and holidays and can receive medication refills for up to a year through a pharmacy of their choice. Using a retail pharmacy network allows for a prospective review of all patient medication orders and a pharmacist review of drug therapy and interactions. In addition, pharmacies now submit real-time electronic claims to the County, enabling DHS to maintain an accurate medication database for all MHLA participants in order to identify trends and project future costs. The MHLA pharmacy network has filled over 1 million prescriptions for 90,000 unique MHLA patients. Approximately 80% of prescriptions are filled at contracted pharmacies, 18% are filled at on-site clinic dispensaries, and 2% are mailed via DHS Central Pharmacy.