Access Leadership

Healthcare That Leaves No One Behind

Pharmacy Toolkit

2009

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INCREASING ACCESS TO PRESCRIPTION MEDICATIONS OVERVIEW

INTRODUCTION

In the United States, lack of access to prescription medications is a significant problem for many people. In an age where life-saving medications can cost hundreds of dollars per month for a single prescription, lack of comprehensive insurance coverage for prescription medications can be a major factor in the health and quality of life of an individual.

Over the past 20 years, communities have been able to expand access to prescription medications for low-income people through the implementation of various programs. These programs can be implemented at the local level and replicated at multiple sites. This toolkit will provide an overview of the different programs available, so you can choose the program that is right for your community.

In order to know what program may be right for your community, please consider the following questions:

1. Is access to prescription medications a problem in your community? How do you know?

2. Which categories of people in your community have difficulty obtaining prescription medications?
    a. Low-income
    b. Uninsured
    c. Underinsured (individuals who cannot afford copayments or deductibles.]
    d. Elderly
    e. Other:_____

3. Where do low-income people in your community currently obtain prescription medications?
    a. Free samples from a physician's office
    b. Low cost retail pharmacy (such as Wal-Mart or Target)
    c. Free clinic
    d. Health department
    e. Federally qualified health center (FQHC) or community health center
    f. Hospital retail pharmacy
    g. Free or nonprofit community pharmacy

h. State or local program:_____
i. Other:_____

4. Is any group or organization in your community currently working with patients to obtain free prescription medications or to enroll patients in coverage programs?

5. What type of organization are you:
   a. A community group that is not formally organized and does not include healthcare providers
   b. A community group that is not formally organized and includes healthcare providers
   c. Organized nonprofit entity that does not include healthcare providers
   d. Organized nonprofit entity that includes healthcare providers
   e. Other:_____

6. Does your organization or a member of your community group operate a pharmacy?

7. Does your organization or a member of your community group include a hospital? If so, has the hospital experienced an increased number of patients coming to the Emergency Department (ED) due to their inability to obtain prescription medications?

8. Do physicians in your community provide sample medications to patients?

9. Does your organization currently purchase medications for the uninsured (e.g. patient assistance funds, patient vouchers for a local pharmacy, or other)? If so, how much does your organization spend on medications for the uninsured?

10. What other resources (e.g., funds, expertise, space, staffing) are available in your community to help the uninsured obtain prescription drugs?

11. Are there other organizations in your community that may be able to assist you in this effort?

12. What ideas do you have for increasing access to prescription medications in your community?

There are various programs that can be implemented in a community to increase access to prescription drugs. For the purpose of this toolkit, we have divided the programs into two groups: referral programs and dispensing programs. A referral program provides education and referral services to sources of free or low cost prescription medications. A referral program does not typically require an organization to be connected with a healthcare provider or a pharmacy, as a helpful individual or a trained social worker can implement the program. A dispensing program involves a healthcare provider or a pharmacy, both of which can dispense medications.

Referral Programs

- **Retail Pharmacy Discount Programs** (Wal-Mart, Target, etc.)
- **Drug Discount Cards** sponsored by large pharmacies
- **Patient Assistance Programs** (PAP) sponsored by pharmaceutical companies
- **Vouchers**

Dispensing Programs

- **Free Sample Medication Programs**
- **Centralized Free Sample Program** (group of healthcare providers pool medication samples)
- **Free or Nonprofit Community Pharmacy**
- **340(b) Pharmacy** (discounted pricing available to FQHCs, hospitals and certain other healthcare providers)

Special Resource Program

- **Dispensary of Hope**

For more detail on each program, see Table 1 below, which outlines the different referral and dispensing program options and important factors related to each model. Because there is no one complete solution to pharmaceutical access, many organizations choose to use a combination of both referral and dispensing programs. Some organizations may choose to start with one of the simpler programs, such as referrals to retail pharmacy drug discount programs, and then add additional programs as the organization becomes proficient with the first program. Please see Appendix A for a visual representation of how different programs provide assistance with different classes of medication.

Your organization's choice of the type of program will depend on the resources available in your community. If no healthcare providers are available to participate in your program, you may consider the referral-based models. If the healthcare providers in your community are willing to participate in your program, you may consider the dispensing models or a combination of both. We have found that organizations which work together to implement a centralized program over multiple sites usually are able to gain efficiencies and share costs, thus producing a higher return on investment. If you have not considered which organizations may be able to partner with you to implement a prescription medication access program, you may consider taking this step prior to proceeding.

Table 1: Pharmaceutical Access Model Overview

	Patient Population Served	Regulations	Annual Cost of Operation	Immediate Access versus Wait Time	Broad or Narrow Formulary	Staff Required	Other
Referral-Based Models							
Retail Pharmacy Discount Program (Providing education to providers and patients about the availability of discount programs)	Community	None (some regulations may apply to certain healthcare providers)	Low, depending on the extent of educational efforts	Immediate, however the patient must take the prescription to the pharmacy	Short list of generics	Few, depending on the extent of educational efforts	Must work with healthcare providers to prescribe those drugs on limited formulary
Drug Discount Cards (Providing education to patients about the availability of discount cards)	Community	None (some regulations apply to vendors of drug discount cards)	Low, depending on the extent of educational efforts	Immediate, however the patient must take the prescription to the pharmacy	Most generic and branded	Few, depending on the extent of educational efforts	Work with community members to educate patients regarding available programs

	Patient Population Served	Regulations	Annual Cost of Operation	Immediate Access versus Wait Time	Broad or Narrow Formulary	Staff Required	Other
Patient Assistance Programs (PAP) Administered in Community (Assisting patients in applying for free medications)	Community under 200 percent of the Federal Poverty Level	None (licensure regulations may apply to the hospital, FQHC or pharmacy)	Varies	Wait Time (2 to 6 weeks for mail delivery)	Most brand name (approximately 1,500-2,000 different medications)	Coordinator (helpful person or social worker)	Cost depends on available space, hours of service, use of volunteers or employed staff, and use of software
Vouchers (Paying for prescriptions)	Community	None (some regulations may apply to certain healthcare providers)	High	Immediate, however the patient must take the prescription to the pharmacy	Generic or branded, depending on the program	Coordinator (helpful person or social worker)	High cost and need to coordinate the program

	Patient Population Served	Regulations	Annual Cost of Operation	Immediate Access versus Wait Time	Broad or Narrow Formulary	Staff Required	Other
Dispensing Models							
Sample Medication Program* (A healthcare provider gives free sample medication to his/her patients)	Patients of one particular provider only	Accreditation standards and government regulations may apply to the physician, hospital or FQHC	Low	Immediate	Most brand name	Existing staff	Staff burden to manage samples and follow regulations and applicable accreditation requirements
Centralized Free Sample Program* (A group of healthcare providers pool samples so that a wide variety of samples are available to patients)	Patients of one particular group of providers only	Regulations may apply to the physician, hospital or FQHC	Low	Immediate	Most brand name	Existing staff	Staff burden to manage samples, coordinate sample sharing, and follow regulations and applicable accreditation requirements

* The Dispensary of Hope can be a helpful model to explore.

	Patient Population Served	Regulations	Annual Cost of Operation	Immediate Access versus Wait Time	Broad or Narrow Formulary	Staff Required	Other
Free or Nonprofit Community Pharmacy* (A local pharmacy dispenses free medication)	Community under 200 percent of the Federal Poverty Level	In some states there is a special regulatory category, while in other states, the organization must comply with retail pharmacy regulations	High	Immediate	Most generic and branded	Often relies on retired volunteer pharma-cists and may need supervising pharmacist	Need staff for eligibility review as well as dispensing staff
340(b) Pharmacy Pricing (Certain pharmacies are eligible for special pricing)	Eligible patients of provider only	Federal and state regulations	Medium	Immediate	Most generic and branded	Pharma-cists and supply staff	Very restricted eligibility for organizations

The remainder of this toolkit will describe each of these programs in greater detail, to assist you in choosing the program that is right for your community. Please see Appendix B for a decision tree that provides a graphical view of the decision- making process related to choosing a program model from among those listed in the Program Descriptions section. Please see Appendix C for a list of programs the Health Ministries of Ascension Health either operate or participate in via a community coalition that operates the program.

SUSTAINABILITY

As you consider what programs might be right for your community, a special focus should be paid to the sustainability of the program. We recommend that prior to implementing a program, your organization develop a project plan and a budget. Typically, successfully-funded programs are able to demonstrate:

1) The financial impact of program services in comparison with the anticipated financial return (also called the Return on Investment or “ROI”) and

2) The health outcomes and process measures resulting from program effort, such as the value of prescriptions given to patients through the program.

Organizations are most successful at telling their story and obtaining sustainable funding when they can demonstrate ROI and successful outcome measurement to potential funders. For more information on demonstrating return on investment, collecting outcome measures, and the fund development process, please refer to the following toolkits: 1) Return on Community Investment; 2) Outcomes Measurement; and 3) Fund Development. For your convenience, we have attached as Appendix D a draft grant proposal Ascension Health prepared for a Dispensary of Hope model, a program discussed later in this toolkit. Feel free to customize this proposal to your needs as you seek sustainable funding sources.

PROGRAMS FOR INCREASING ACCESS TO PRESCRIPTION MEDICATIONS

PROGRAM DESCRIPTIONS-REFERRAL PROGRAMS

Retail Pharmacy Discount Program

Several large discount stores such as Wal-Mart and Target offer prescription medications for $4 or $5. Some pharmacies, such as Snyder's, have offered prescriptions as low as 99 cents per week, or even free prescriptions for a limited time. Such programs are an excellent resource for affordable prescription medications. Generally these programs involve generic drugs, and there is a limited formulary. A community can support the availability of resources like these by educating providers and patients. Providers should be made aware of these programs and the formularies so that they may consider whether it is appropriate to prescribe medications on these formularies to increase prescription adherence by patients who would otherwise be unable to pay for their medications. Often formularies are available online. Providers also should educate their patients on the existence of these programs, if applicable. Many patients may be unaware of these programs as an option for low-cost pharmaceutical access, and a community program can raise the profile of these programs, thus increasing access to prescription medications.

Cost

This program has no cost to a healthcare provider but requires some ongoing administrative support and the cooperation of providers. The discount store may share promotional materials about the program or may be willing to subsidize an organization's publicity efforts.

Implementation

The organization would determine which healthcare providers prescribe medications (physician office, hospital ED, clinic, urgent care, free clinic, etc.). A system would be set up so these individuals have easy access to a brief description of the program, locations of nearby discount stores – preferably on public transportation routes, and formularies of the discount stores. A formulary may be electronic, or printed and posted in exam rooms. Often the formularies are changed or expanded, so the formulary should have an effective date and should be updated regularly. The organization, perhaps partnering with the discount store pharmacy, would publicize the availability of low-cost prescription drugs through this program and the locations of nearby discount stores, preferably on public transportation routes.

Considerations

- This program will require administrative support to make it work for patients.

- This program operates most efficiently when healthcare providers are able to prescribe medications listed on the formulary; however, many needed medications are not a part of this program.
- Transportation may be a limiting factor for patients.
- Some patients may not be able to afford even a $4 prescription, and may need assistance to take advantage of this program.

Key Resources – Retail Pharmacy Discount Programs

- **communities.myascensionhealth Retail and Mail-order Pharmacy Discount Program Development Page** (https://communities.myascensionhealth.org/communities/accessleadership/accessmodels/SystemHidden/Pharmaceutical-DiscountProgram.aspx)) - This resource provides an overview of the discount systems, as well as the name and contact information for the largest participating national pharmacies.

Drug Discount Cards

Often patients who are uninsured are asked to pay the full cost of a medication because there is no insurance company actively seeking a discount on their behalf. To combat this problem, programs have been set up to coordinate a discount for the uninsured, using discount cards or online mail order programs for the purchase of medications at a discounted price. Typical programs are Rxoutreach.org or FamilyWize through the United Way, but many pharmacies and community groups also offer drug discount cards. Organizations can support access to this resource by researching available drug discount card programs to determine what programs are available in the community, and by publicizing the programs so local healthcare providers and the community are aware of the resource.

Cost

This program has no cost to a healthcare provider but requires some ongoing administrative support and the cooperation of providers to communicate the existence of the program to their patients. The organization sponsoring the discount card may share promotional materials about the program or may be willing to subsidize an organization's publicity efforts.

Implementation

The organization would determine which healthcare providers prescribe medications (physician office, hospital ED, clinic, urgent care, free clinic, etc.). A system would be set up so these individuals have easy access to a brief description of the programs available locally and how patients may obtain drug discount cards. The organization may develop and disseminate information on this resource.

Considerations

- This program will require administrative support to make it work for patients.
- Some programs may require access to a computer.
- This program operates most efficiently when healthcare providers are able to prescribe medications listed on the formulary; however, many needed medications are not a part of this program.
- Transportation to the pharmacy sponsoring the discount card may be a limiting factor for patients.
- Each program differs and may change without notice to the patient.
- Sometimes the discounts are not very significant and a patient may not be able to afford the prescription even with the discount, so patients may need assistance to take advantage of this program.

Key Resources – Drug Discount Cards

- **communities.myascensionhealth Retail and Mail-order Pharmacy Discount Program Development Page** (https://communities.myascensionhealth.org/communities/accessleadership/accessmodels/SystemHidden/Pharmaceutical-DiscountProgram.aspx) - This resource provides an overview of the discount systems, as well as the name and contact information for the largest participating national pharmacies.
- **The Ascension Health Access Leadership Department -** 314.733.8411

Patient Assistance Program (PAP)

Over 80 pharmaceutical companies offer free prescription medications (generally brand name drugs only) to eligible patients whose income is less than 200 percent of the Federal Poverty Level. Participation in this program requires a prescription, the completion of a paper or online application, and submission of supporting information to determine financial eligibility (e.g. tax returns, W-2s, etc). These forms can be overwhelming for patients, and they must be submitted to different pharmaceutical companies based on the drug being requested. Often a patient would have to complete many forms because they generally have several prescriptions for drugs from different pharmaceutical companies.

To support access to PAPs, software has been developed by several vendors (e.g. RxAssist, Data Net Solutions, Drug Assistant, Med Data Services, and RxBridge) which provides the formulary and requirements of each pharmaceutical company and maintains updates. Appendix E provides a side-by-side comparison of the major Patient Assistance Program Information Systems. Many communities and providers have decided to purchase the software for PAP and make it available to patients or the community by supporting the

enrollment and assistance process. Programs like this can support ongoing access to prescription medications provided the patient continues to be eligible. Patients are required to update their information periodically to re-confirm their eligibility. The program has limitations, including the availability of medications on the formulary. In addition, the approval process can take from 2 to 6 weeks, during which time the patient will not have access to the medication. Two well-known resources that facilitate access to PAP forms include RxAssist (http://www.rxassist.org/), operated by the nonprofit agency Volunteers in Healthcare, and Partnership for Prescription Assistance (https://www.pparx.org/) operated by the Pharmaceutical Research and Manufacturers of America (PhRMA).

Community Example - Patient Assistance Program in Troy, N.Y.

Pharmacy access was identified as a need in Troy (Rensselaer County), N.Y. A coalition of providers (hospitals, medical society and an FQHC) was formed and agreed to sponsor a Patient Assistance Program (PAP) called Rensselaer Cares. A coordinator was hired, and since the program launched in January 2007, $2.1 million in prescription medications has been accessed by patients who may not have had another source of prescription medications. The coalition added enrollment as an activity for the program and now hasenrolled over 1,350 individuals in coverage programs. The coordinator of Rensselaer Cares is a social worker, and the cost of staff, supplies and equipment has been paid by two grants while the medical society provides needed space. The grant funds covered the start up and the initial operation, but there is a need to continue to find ongoing funding to support the operation of the program.

Cost

There are a number of ways to set up this program. Some programs obtain paper forms and assist the patient in completing the forms. This is the lowest cost approach, but perhaps the least efficient. Most organizations have found that obtaining specifically-designed PAP form completion and tracking software, available at a cost of $3,000 to $5,000, is the most efficient method for submitting PAP applications. Use of the software requires access to a computer, but assists staff by reducing the amount of data entry required after the first data elements are entered. The other variables include hours of operation for this enrollment service and whether it is supported by staff or volunteers. Typically it works best with a coordinator who does not need specialized skills. Some organizations have begun to charge for completing PAP enrollment. Please see Appendix F for a discussion of the issues surrounding charging patients for PAP services. In general, the more organizations involved in implementing a centralized PAP program, the easier it is for the program to develop efficiencies and spread any applicable costs over multiple organizations, thus realizing a greater return on investment.

Implementation

- Determine whether you want to offer a centralized program.
- Determine the financial resources available, the hours of operation, the potential volume of patients, space (desk, phone, computer, and access to copier).
- To determine skill level of staff, consider what other services may be offered in coordination with this program (e.g. enrollment in coverage).
- Determine whether this will be supported by employed staff, volunteers or a combination.
- Purchase software and coordinate training.
- Determine if you want a high profile program or a more limited program and develop appropriate education and communication plans. As examples, if you will be staffed to operate a program five days a week and this will be a community resource, you would promote this widely. If you want to make this available to your hospital or clinic patients on a more limited basis using existing office staff, you would promote it only to your staff and patients.

Considerations

- Patients will not have immediate access to medications.
- Most PAPs are for brand medications, not generics.
- The program model, particularly the use of employed staff, may not be sustainable over the long term.

Key Resources – PAP Programs

Using Pharmaceutical Company Patient Assistance Programs -. (https://communities.myascensionhealth.org/communities/accessleadership/System%20Hidden/5%20Steps/Step%202%20Fill%20Service%20Gaps/using-pap-programs-manual.pdf) - This guide is intended to serve as a reference for both individual prescribers and organizations that want to implement a PAP system.

PAP Information Management Resources for Clinics to Help Uninsured Patients - (http://www.medpin.org/docs/pap-2003.pdf) A booklet that addresses the use of technology to support formal community PAP programs. Also gives several options for software vendors providing PAP service software. Finally, talks about the financial impact of a formal PAP system, and ways to create efficiency and economies of scale.

The Ascension Health Access Leadership Department - 314.733.8411

Vouchers
Despite the availability of retail pharmacy discount programs, drug discount cards, PAPs, and the dispensing and hybrid programs described below, many patients will not be able to afford to pay any price for their prescription drugs and will still be without access to prescription drugs. Some organizations have available funds to pay for a low-cost prescription, such as a $4 retail pharmacy prescription, a discounted prescription, or a prescription needed by the patient for immediate access to medication while waiting for a PAP application to be processed.

Organizations may offer vouchers that patients can use to pay for prescriptions at certain pharmacies, or the organization may have an electronic system with certain pharmacies that bill the organization for the patient's prescription. Depending on the size of the organization and the complexity of the voucher process, some organizations have contracted with Pharmacy Benefit Managers (PBMs) such as Express Scripts to assist with this process.

Cost
This program is extremely costly as it pays for the patient's prescriptions directly. Some organizations have found support for these costs through partnerships with faith-based or other community organizations that typically are not thought of as health- related charities.

Implementation
Depending on the amount of funds available, the organization should consider partnering with a local pharmacy to develop a system to reimburse the pharmacy for the patient's prescriptions and ensure the organization receives all available discounts from the retail price. The organization may not require independent space or administrative time if the provision of vouchers is delegated to certain healthcare providers, such as ED physicians, discharge planning social workers, or free clinic staff.

Considerations
- This program is a simple way to access medications not otherwise immediately available through PAP, samples, or other programs.
- Because of the high cost of paying for prescription drugs, this program model is not likely to be sustainable.

PROGRAM DESCRIPTIONS-DISPENSING PROGRAMS

Free Sample Medication/Centralized Sample Programs

For years, representatives of pharmaceutical companies have provided physicians and other providers with sample medications. Typically the samples provided to a patient include less than a month's supply, depending on the type of drug. Controlled substances are not typically distributed as samples. Many physicians and other healthcare providers maintain a "sample closet" where samples distributed from pharmaceutical representatives are stored. In a clinic or group practice setting, providers can collaborate to pool the available samples in the organization to maximize the availability of sample medications. There are no patient financial eligibility requirements for these sample programs.

Sample drugs can be beneficial to patients to provide immediate access to a new medication to determine if the patient is able to tolerate the medication and if the medication achieves the desired result, before the patient is required to purchase a larger quantity of the medication. For patients who are unable to afford medications, samples can be useful to quickly provide a small supply of medication (typically a month or two of product) while a patient applies to a PAP and awaits longer-term access to drugs. After a patient submits a PAP application (discussed in another section of this toolkit), it can take 45 days or longer to receive the medication, but the patient may need immediate access.

Cost

There is very little direct cost to set up a sample program, but there are operational costs related to staff time for dispensing samples, managing the inventory, auditing expiration dates and logging patient information.

Implementation

- Identify dispensing locations with a physician, nurse practitioner, or hospital pharmacist.
- Set up policies and procedures for managing a sample program.
- Consider linking to or including a PAP model to reduce the volume of requests for refills, easing the burden on staff).
- This model also works well with the Dispensary of Hope, described below.

Considerations

- Because the provision of samples to physicians is part of a larger effort to market the latest prescription drugs to encourage physicians to prescribe the drugs, the samples available to physicians do not typically include generic versions of medicines.

Some commentators have observed that starting an uninsured patient on the latest drug with a sample may be counterproductive if the patient will not be able to afford to continue the prescription once the samples run out. For patients who may be unable to afford their brand name medication, clinicians should determine if a generic medication is more appropriate for the patient. If so, the patient may be referred to other resources such as Wal-Mart, Target, or a drug discount card program, where low cost doses of some generic medications are available.

- Many states and accreditation agencies (such as the Joint Commission) have adopted regulatory controls for management of samples, such as an annual inventory and proper disposal of expired samples. Because of these requirements, some organizations have found that the administrative burden and risk of managing a sample program is not justified by the benefit to patients. Entities that desire to start distributing sample medications should develop a policy regarding the oversight of the program, such as where the samples will be stored, how the samples will be secured, who has access to the samples, when inventory will be taken, how to track which samples were given to which patients in the event of a recall, etc.), and the process for destruction of expired medications.
- The available drugs may be limited to the drugs typically available to a given specialist (e.g. cardiologists would be able to have cardiac-related samples), which would limit the variety of the available samples.

Key Resources-Sample Programs

- **Managing Medication Samples - This manual includes explanations, benchmarking, an overview of the setup process and a list of frequently asked questions.**
- **The Ascension Health Access Leadership Department - 314.733.8411**
- Please see "Taming the Sample Closet," an article by Mitchell Cohen, MD in the October 2006 edition of *Family Practice Management*, available at: http://www.aafp.org/fpm/20061000/43tami.html. Sample policies and procedures for sample management are available on the Web at: http://www.ttuhsc.edu/som/clinic/policies/ACPolicy4.02.pdf, http://www.access-alliance-mi.org/Docs_Folder/Policy_And_Procedure_Folder/C06-S01-T06_Meds_Storage_Disposal_Recall.doc.doc and https://private.kcmhsas.net/Provider%20Network%20Policies%20and%20Procedures/Section%2044%20-%20Psychiatric%20Services/44.02_01%20Medication%20Access,%20Storage,%20Recall%20and%20Disposal.doc

Free or Nonprofit Community Pharmacy

A community pharmacy can be set up in a few different ways depending on state regulations and the program plans of the sponsor. A community pharmacy can be established by creating a nonprofit licensed retail pharmacy which meets all state requirements for a retail pharmacy. Generally, a pharmacy provides free medications to a limited population of patients, such as those who meet eligibility and

income requirements established by the sponsor. (Often, eligible income is capped at 200 percent of the Federal Poverty Level or less, to mirror that of most pharmaceutical manufacturers' income ceiling.) A community pharmacy also can obtain approval for a waiver of certain requirements, in order to provide the community with free medications. Some states have adopted a specific category for a charitable pharmacy that offers some relief from retail pharmacy requirements, such as the ability to accept the donation of excess drugs from patients or institutions if those drugs are dispensed for free to eligible patients, or other requirements such as mandatory hours of operation to create less burdens for a pharmacy with a charitable purpose. The requirements and restrictions for operating a community pharmacy would need to be researched in each state. The formularies of a free community pharmacy are determined by how the pharmacy gets access to the prescription medications, and they often are limited.

Cost

This is a higher-cost option as it is the start up of a new, regulated pharmacy operation. Costs could include:

- Space (lease);
- Renovations to meet pharmacy regulations including securing of medications;
- At least one licensed pharmacist;
- Legal costs of start up and securing needed regulatory approvals;
- Administrative staff to set up policies and procedures and to coordinate access to medications through purchase or donations;
- Source of medications – often this is free samples and some supplement of generic drugs which would be purchased;
- Staff to review patient eligibility – could be volunteers; and
- Other operating expenses (copier, computer, etc.).

Implementation

- Review state regulations to determine program requirements.
- Obtain the appropriate state license.
- Determine source of medications.
- Determine staffing model, consider volunteers.
- Consider linking to or including a PAP model to reduce the volume of requests for refills (ease burden on staff).
- Determine organizations that may be able to provide financial support (e.g. foundation, payer).

- This model works well with the Dispensary of Hope, described below. Consider having a community board or advisory board to get support for the program and to promote the local program for sample donations to the community pharmacy or to the Dispensary of Hope if that is the model selected.

Considerations

- Are there other community organizations that would participate in sponsorship or funding?
- Consider whether there are some activities which can be supported by volunteers (e.g. retired pharmacists, volunteers for eligibility review).

Community Example - A Community Charitable Pharmacy with Dispensary of Hope sample program with PAP in Mobile, Ala.[1]

The St. Vincent DePaul Society established a community charitable pharmacy in Mobile, Ala., in 1998 -- the Ozanam Charitable Pharmacy. Alabama has a designation for a community charitable pharmacy which allows the receipt of donated medications if they are dispensed for free. Note that many states do not offer this designation. The St. Vincent DePaul Society has led the effort to establish this designation in several states including Louisiana. The program is staffed by retired pharmacists and receives medications from two sources: the St. Vincent DePaul Society at the national level raises funds for the purchase of generic prescription drugs and makes them available to the Ozanam Pharmacy, and samples are donated by local physicians for dispensing. The program also offers enrollment in PAP for the community. The pharmacy has an advisory board with representatives from community organizations and providers. In 2008, a relationship was explored with the Dispensary of Hope so that the sample availability and formulary can be expanded and local physicians can participate in the Dispensary's sample donation program.

[1] **http://dispensaryofhope.org/index.php?q=dispensary/ozanam-charitable-pharmacy -** The St Vincent DePaul Society is a charitable organization dedicated to serving the needs of the poor. In the United States it is organized into eight regional councils and is involved in many charitable projects including a pharmacy initiative. Programs vary from place to place and are sponsored and operated in different Catholic dioceses and archdioceses around the country.

340(b) Pharmacy Pricing

The "340(b) Program" refers to Section 340(b) of the Public Health Service Act. The 340(b) Program requires drug manufacturers to provide outpatient drugs at a reduced price to certain "covered entities" which serve an underserved population. Participation in this program is very restricted. The program requires drug manufacturers to give discounted prices on outpatient medications to certain

eligible entities. The 340(b) Program applies to all outpatient drugs for which a physician writes a prescription, including over-the-counter drugs.

Covered entities include the following: Health Resources and Service Administration (HRSA) grantees, Federally Qualified Health Centers (FQHCs) and FQHC look-alikes, family planning clinics, HIV/Ryan White clinics, state-operated AIDS drug assistance programs, black lung clinics, hemophilia treatment centers, urban Indian organizations, Native Hawaiian health centers, sexually transmitted disease and tuberculosis clinics, children's hospitals, and disproportionate share hospitals (DSH).

Manufacturers consider 340(b) Program pricing to be proprietary information and have challenged attempts to disclose it. Entities can estimate the 340(b) price by taking 50 percent of the Average Wholesale Price (AWP). The AWP is a public number found in resources like the Drug Topics Red Book, published annually by Thomson Healthcare. The actual price may be lower or higher than this, however. The 340(b) Program sets a statutory "ceiling price" that manufacturers can charge for medications. Entities also can work directly with a manufacturer or wholesaler to determine the discount or negotiate discounts that are lower than the ceiling price.

For organizations lacking an in-house pharmacy, there are guidelines that might permit an entity to contract with a local community pharmacy or other outside pharmacy to act as a dispensing agent. Under these guidelines, the covered entity is required to purchase the pharmaceuticals, and the contractor provides all pharmacy services.

Entities that believe they meet the criteria of a "covered entity" can apply to participate in the 340(b) Program by submitting their applications at least one month in advance of the beginning of the next quarter. To obtain further information, go to the Health Resources and Services Administration (HRSA), Office of Pharmacy Affairs: http://www.hrsa.gov/opa/

Cost

- Costs of implementing 340(b) pricing depends on the current infrastructure. For example, a retail pharmacy that desires to participate in the 340(b) Program and is an eligible entity would have to incur the costs of maintaining a separate inventory and tracking system for 340(b) medications, but this cost would be much less than an organization that has to establish an entire pharmacy to tack advantage of the pricing.
- Many organizations find that they save significant funds using 340(b) pricing, particularly if they are purchasing prescriptions at retail prices.

Implementation

- Review the HRSA Web site to get a general overview of the 340(b) Program and its requirements.
- Determine whether your entity is a "covered entity" that is permitted to participate in the 340(b) Program.
- Review the pharmacy services your entity currently provides, if any.
    - If your entity provides pharmacy services, speak to the pharmacist about participating in the 340(b) Program.
    - If your entity does not provide pharmacy services, but would like to, determine if there is a community pharmacy that may partner with you to provide pharmacy services to your patients. Speak to the pharmacist at that facility about participating in the 340(b) Program.
- Determine if the pharmacist thinks the 340(b) Program is right for your organization or right for a potential collaboration. If the pharmacist does not think the 340(b) Program is right for you, you may consider a different pharmacy access tactic.
- Determine the prudence of enrolling in the 340(b) Program from others in your organization, including the administrator, supply manager, billing staff, legal, or other individuals, as applicable. If these individuals do not think the 340(b) Program is right for you, you may consider a different pharmacy access tactic.
- Consider putting together a team, including the pharmacist, to review the requirements for the 340(b) Program in detail, and develop together a timeline for completion of the necessary tasks prior to enrollment. If possible, engage representatives of other entities that have successfully enrolled in the 340(b) Program to assist your team. Ascension Health may offer technical assistance as well.
- Obtain the application for the 340(b) Program from http://www.hrsa.gov/opa/introduction.htm.
- Submit the application when your pharmacy is prepared to accept 340(b) Program pricing.

Considerations

- Before spending much time on this option, please note that it is only available to certain types of organizations and that pharmacist involvement is critical at the start to determine if 340(b) pricing is right for your organization.
- Discounted pharmacy pricing will only be available to eligible patients; it is not available to all patients nor to the community at large.
- There would need to be considerable lead time for this option.
- This model works well with the Dispensary of Hope.

Special Resource Program: The Dispensary of Hope

The Dispensary of Hope Network (the "Dispensary"), http://www.dispensaryofhope.org/, was founded in 2003 by Dr. Bruce Wolf in Nashville, Tenn. The Dispensary is a nonprofit tax exempt organization sponsored by Saint Thomas Health Services, a member organization of Ascension Health that is located in Nashville. Dr. Wolf realized that many physicians were wasting sample medications that could be redistributed to patients in need. In 2007, pharmaceutical companies spent 6.7 billion on physician advertising,[1] including approximately half of those funds devoted to sample distribution. Approximately 92 percent of physicians have accepted free samples from manufacturers,[2] which is a significant source of underused medications. For example, a physician may have received 20 doses of a medication that the he or she rarely prescribes or that are likely to expire before the physician would ever have a chance to prescribe the medication. Such doses typically are wasted.

Capitalizing on the concepts of pooling sample medications within a healthcare organization and obtaining bulk distribution of medications from manufacturers, Dr. Wolf created an innovative hybrid system to maximize the collection of sample medications from physicians and overproduction from manufacturers around the country, redistributing them to patients in need through a network of dispensing sites. Essentially, the Dispensary facilitates a partnership between hospitals, clinics, physicians, pharmacies, manufacturers and reverse distributors to donate excess medications; collects and repackages the medications; and distributes the medications to dispensing sites which are able to dispense the medications to patients in need.

The Dispensary has developed a network of more than 1,000 physicians and clinics that regularly donate sample medications and manufacturers that donate overproduced medications. Since 2004, the Dispensary has collected more than $20 million in sample prescription medications for redistribution. Once the medications are collected, the Dispensary inventories and distributes them to dispensing sites in the network, filling approximately 4,500 prescriptions each month, with more than half of those prescription refills from returning patients. In June 2008, the Dispensary celebrated the filling of its 100,000th prescription.

The Dispensary's e-Hope system tracks all medications distributed to the dispensing sites and dispensed to the patient, for a complete chain of custody for each medication. For any Dispensary program, a state pharmacy distributor's license must be obtained, and the time and complexity of this process varies by state. The Dispensary currently is licensed in Tennessee, Louisiana, New York,

[1] Kaiser Family Foundation, "Prescription Drug Trends, September 2008," http://www.kff.org/rxdrugs/upload/3057_07.pdf, accessed 3 December 2008.
[2] Barbalee Sym, Michael Averett, Samuel Forjuoh, and Cheryl Preece, "Effects of Using Free Sample Medications on the Prescribing Practices of Family Physicians," *Journal of the American Board of Family Medicine*, 19 no. 5 (September/October 2006), 443-449, http://www.jabfm.org/cgi/content/full/19/5/443, accessed 3 December 2008.

Connecticut and Alabama, with requests pending in other states. The Dispensary can offer the following services to a community depending on community needs and the local structure of the program:

- **Supply of inventory for community pharmacies for the uninsured**
  The Dispensary enables a community pharmacy to have access to a large, varied formulary by aggregating large and small donations to provide a consistent source of free medications for dispensing sites. It offers a sample donation program to help a community make it easier for physicians to participate.

- **Management of local sample programs**
  The Dispensary enables a clinic to have access to a larger formulary of sample medications for its patients, and it provides a system to ease the administration of the sample program. Through the use of the e-Hope program, providers are able to reduce the supply of samples needed on hand, more effectively manage expiration dates, and track which medications are dispensed to which patients. The management provided by the Dispensary relieves providers of the administrative burden of managing medication samples and prevents medications from going to waste due to expiration.

- **Coordination of physician sample donations**
  The Dispensary provides an organized system to coordinate the collection of samples from local physicians and to promote the participation of physicians as donors. The Dispensary creates a user-friendly system for physicians and dispensing sites to donate samples and also offers a warehousing location and system to manage donations, easing the administrative burden of managing donations to meet regulations.

- **Reduction in hospital/clinic medication expense for certain programs**
  The Dispensary enables a hospital retail pharmacy or a 340(b) pharmacy in a hospital or an FQHC to have a source of free medications for dispensing (per regulations) to the underserved. Providers who dispense medications to outpatients, including 340(b) pharmacies, are able to reduce their expenses because access to the Dispensary formulary will eliminate the need to purchase certain medications.

Cost

The Dispensary of Hope has a participation fee which ranges from no cost to $75,000, depending on the volume of medications dispensed. There is no fee for a program that dispenses less than $25,000 in medication, and there is a maximum cost of $75,000 for programs that dispense more than $500,000 in medication.

Implementation

- Secure a local financial sponsor or group of sponsors to underwrite the costs.
- Determine inventory of medications needed to meet the patient demand.
- Work with Dispensary staff to be linked to the ordering and patient tracking e-Hope system.
- Appoint a physician champion to promote local physician participation in the donation of samples to the Dispensary and to advise physicians about the availability of this program for their patients.

Community Example - A Sample Program through Dispensary of Hope in Amsterdam, N.Y.

The providers in Montgomery and Fulton counties in New York agreed that pharmacy access was an unmet need. The hospital-sponsored family health centers had sample closet programs. The providers decided that a sample dispensing program through Dispensary of Hope would work best because they would have access to a broader formulary; it would reduce the burden of local oversight and staff time for managing samples; and it offers an electronic patient tracking system for those receiving samples. Plans are under way for Ascension Health's St. Mary's Hospital to implement a pilot site for a Dispensary of Hope program based in a family health center, and for the hospital to begin to arrange for local physicians to donate samples to the Dispensary of Hope. Dispensary of Hope was approved by the state pharmacy board as a licensed distributor. Once implemented in one health center, the program can be expanded to other health center locations in the region.

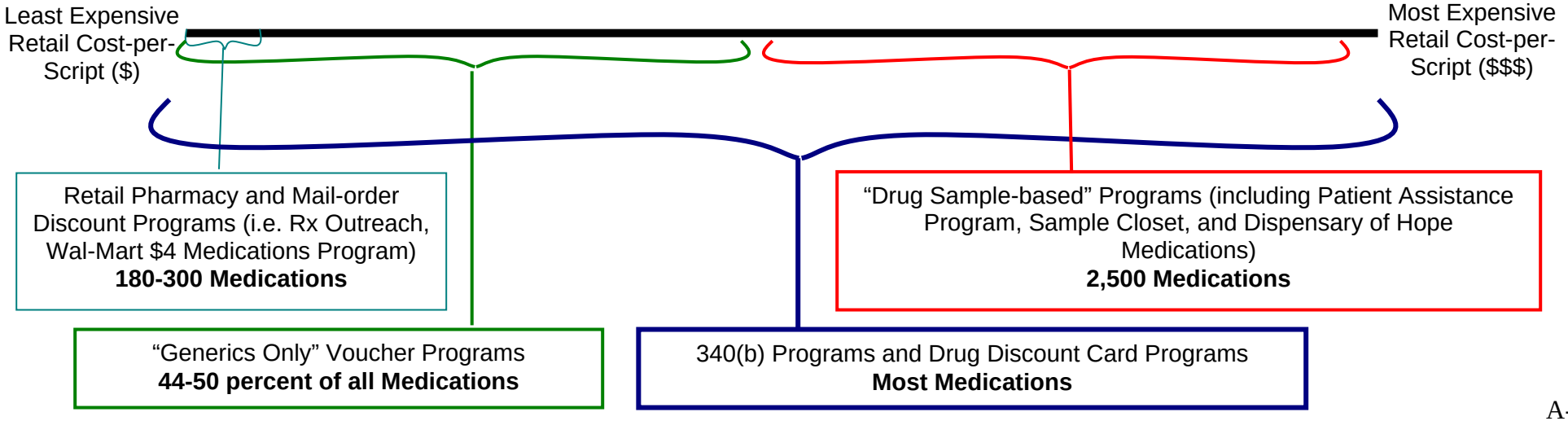
Appendices

APPENDIX A – MEDICATION ACCESS MODELS DIFFERENTIATED BY RETAIL COST-PER-SCRIPT

The benefit of overlaying pharmaceutical access programs becomes more apparent when viewed according to the price of a single prescription. The following chart, a simplified explanation, provides clarity on the classes of medications that are available through a pharmaceutical access model, the particular model, and the number of medications included.

Assuming all medications are organized according to cost, the most apparent observation in such a chart would be that generic medications – those that no longer have an active patent – are less expensive than their braded counterparts. Within the family of generic medications, those having the lowest cost typically are available through limited formulary retail pharmacy programs, such as those managed by national retailers like Kmart, Wal-Mart, and Target. Though the medication is low cost and immediately available, the formulary does not include more than a few hundred scripts. On the other end of the spectrum are programs that distribute branded medications through sample and donation programs. "Generics only" programs managed by voucher or by an externally-contracted Pharmacy Benefits Manager provide a buyer-designed list of medications, typically limited to medications at the lower-cost end of the generic medication spectrum, plus other medications deemed important to complete medical care. Finally, Discount Card Programs and 340(b) pricing regulation provide the widest availability of medications.

Medication Access Models Differentiated by Retail Cost-Per-Script



Access Leadership
Healthcare That Leaves No One Behind

APPENDIX B – CHOOSING A PROGRAM DECISION TREE

Do you need a pharmaceutical access program?

- Why do you want to create a program?
- What is the problem you are facing?
- Who are you are trying to help?

Do you have existing solutions currently serving your community?

- What is available in your community now?
- Does your state have a program?
- What populations are already served?

What resources do you currently have and what ideas do you have to solve the problem?

- Do you have a retail pharmacy?
- Do you have a source for funding?
- What are you currently spending on medications in your community? (medication assistance funds, etc)?

Which of the following two models would you like to develop?

Referral Programs:
- Retail pharmacy discount programs
- Drug discount cards
- Patient Assistance Programs (PAP)
- Vouchers

Dispensing Programs:
- Free sample medication programs
- Centralized sample program
- Free or nonprofit community pharmacy
- 340(b) pharmacy pricing

APPENDIX C – PHARMACY ACCESS PROGRAMS ACROSS ASCENSION HEALTH
MARCH 2009

Community	Program Type	Contact
Amsterdam, N.Y. (*currently forming)*	• Sample Distribution System via Dispensary of Hope	Scott Bruce Vice President of Operations St. Mary's Hospital 427 Guy Park Ave., Amsterdam, NY 12010 518.842.1900, bruces@smha.org
Binghamton, N.Y. *(currently forming)*	• Community Pharmacy via Dispensary of Hope • Patient Assistance Program	Sr. Marilyn Perkins Hope Dispensary of the Southern Tier 169 Riverside Dr. Binghamton, NY 13905 607.798.5515, mperkins@lourdes.com
Bridgeport, Conn.	• 340(b) Program • Community Pharmacy • Pharmacy Benefits Manager Program	Lorraine Carrano Vice President of Mission St. Vincent's Health Services 2800 Main St., Bridgeport, CT 06606 203.576.5450, lcarrano@stvincents.org
Flint, Mich.	• Patient Assistance Program • Retail Discount Referral Program	Andy Kruse Program Director Health Access 3951 Beecher Rd., Flint, MI 48532 810.606.6255, akruse@genesys.org
Indianapolis, Ind.	• Medication Voucher Program • Patient Assistance Program • Retail Discount Referral Program	Sherry E. Gray Project Director Rural and Urban Access to Health (RUAH) St.Vincent Health North Office Building 10330 North Meridian St., Ste. 415, Indianapolis, IN 46290 317.583.3211, segray@stvincent.org

Community	Program Type	Contact
Luling, Texas	• Patient Assistance Program	Steve Conti Executive Director Community Health Coalition of Caldwell County 130 Hays St., Luling, TX 78648 830.875.7000 ext. 66321, steve.conti@att.net
Milwaukee, Wis. *(currently implementing)*	• Patient Assistance Program	Joy Tapper Advisor Milwaukee Health Care Partnership East Lake Office Center, 4425 N. Port Washington Rd., Rm. 336, Milwaukee, WI 53212 414.232.0481, jtapper@wi.rr.com
Mobile, Ala.	• Community Pharmacy via Dispensary of Hope	Lynn Tate Director, Mission Providence Hospital P.O. Box 850429, Mobile, AL 36685-0429 25 1.639.2047, ltate@providencehospital.org
New Orleans, La.	• 340(b) Program • Sample Distribution System via Dispensary of Hope	Michael G. Griffin Secretary 504HealthNet P.O. Box 970, Harvey, LA 70059 504.482.2080 ext. 288, mgriffin@dcsno.org

Community	Program Type	Contact
San Antonio, Texas	• Patient Assistance Program	Gijs van Oort, PhD Executive Director Healthcare Access San Antonio Dr. Frank Bryant Health Center 3066 East Commerce**,** San Antonio, TX 78220 830.755.6000, gvanoort.hasa@gmail.com
Tawas City, Mich.	• Patient Assistance Program • Retail Discount Referral Program	Cathy V. Maxwell Executive Director HealthKey St. Joseph Health System 325 M-55, Tawas City, MI 48763 989.362.9755, cmaxwell@sjhsys.org
Troy, N.Y.	• Patient Assistance Program • Retail Discount Referral Program	Melissa Zapotocki Prescription Assistance Coordinator Rensselaer Cares Prescription Assistance Program 1444 Massachusetts Ave., Troy, NY 12180 518.268.6442, mzapotocki@setonhealth.org
Tucson, Ariz.	• Patient Assistance Program • Sample Distribution System	Tara Sklar Community Benefit Coordinator Carondelet Foundation 120 N. Tucson Blvd., Tucson, AZ 85716 520.873.5024, tsklar@carondelet.org

Community	Program Type	Contact
Waco, Texas	• 340(b) Program (through the FQHC) • Community Pharmacy • Patient Assistance Program • Sample Distribution System	Roland A. Goertz President Heart of Texas Community Health Center 1600 Providence Dr. PO Box 3276, Waco, TX 76707 254.750.8201, rgoertz@wacofpc.org
Washington, D.C.	• 340(b) Program	Matt Lukasiak Vice President, Mission Integration Providence Hospital 1150 Varnum St. Northeast, Washington, DC 20017 202.269.7153, mlukasia@provhosp.org

APPENDIX D – PATIENT ASSISTANCE PROGRAM SOFTWARE COMPARISON GRID

As pharmaceutical access programs have expanded, so has the availability of computer-based tracking resources to support them. Pharmacy access information systems (IS) can provide a cost-effective improvement in accuracy and time savings even for small community programs. However, they are of most benefit to larger programs tracking a broad number of patients.

When looking to purchase a pharmacy IS, keep the following in mind:

1. Some systems are designed around sample medication inventory and control. Others are designed to apply for and track PAP systems. Others do both inventory and PAP tracking. Have an idea about where your community's operations will evolve as you buy a pharmaceutical IS.

2. If you are managing a PAP program, the most efficient systems track patient demographics and auto-populate PAP forms for your staff. This auto-population feature will save staff time and program costs.

3. When looking at a purchase, pharmaceutical information systems may have hardware, software, Web connectivity, and ongoing costs. Be sure to research the cost of your system, and ask about each of these. Also, remember to consider the cost of replacing your hardware after its projected life expires. Many times, replacement or upgrading of hardware is needed within just a few years.

4. Reporting ability refers to the quality, effectiveness and accessibility of data reports available through your IS. Reporting ability and its relation to your program reporting needs is one of the most difficult issues to define when buying a pharmaceutical IS. A good way to determine if reporting ability is adequate for your agency is to think about the program evaluation outcomes that you would like to measure. Compare those to standard reports already found within the IS. Speak with leaders of other programs similar to yours to see if they are pleased with their system's reporting ability. Also, be sure to ask the designer if there is flexibility in writing custom reports, and what the cost of such upgrades will be.

The following parameters are useful to consider when comparing the major Pharmacy Assistance Program software systems:

Software Name	DataNet Solutions	Drug Assistant	MedData Services	Rx Assist Plus	RxBridge	M&D Cares	Indicare
Company Contact Information	Data Net Solutions 200 Bell Crest Dr. Cleveland, TN 37312 423.479.6729	Drug Assistant PO Box 51351 Amarillo, TX 79159 800.697.4060	MedData Services 2022 West Northwest Highway, Suite 210 Grapevine TX 76051 888.246.1085	Systemetrics 95 Sockanosset Crossroad, Suite 109, Cranston, RI 02920 888.593.1085	MEDBANK of Maryland P.O. Box 42678, Baltimore, MD 21284 877.435.7755	New Tech Computer Systems 410 Kay Lane, Shreveport, LA 71115 214.642.8394	PharamcyHealth-care Solutions 1300 Morris Dr., Chesterbrook PA, 19087 800.600.5080
Inception date	1999	2003	1999	1999	2000	1996	1998
# Programs included	All programs offered	All programs offered	All programs offered	All programs offered	All programs offered	513	301
# Forms included	All available forms	All available forms	All available forms	All available forms	All available forms	All available forms	240 plus 61 applications
# Medications included	+1,400	2,700	+1,600	+800 different medications	All medications; even those not included in PAP programs	+3,500	3,029
Frequency of updates	Weekly	Daily	Daily	Daily	As required	Daily	Daily
Demo program available?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
#Organizations using	+140	+60	+500	+700	3 state-wide programs; 12 other agency programs	+120	+370
Restrictions on users	Based on licenses	3 users per account	No	3 users per license	No	Restrictions differ	No
Internet access required	Only for updates	Available for and without	Yes	Yes	Yes	Yes	Yes
Network capability	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Automatic form completion	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Automatic form submission	Not possible; requires signature	Not possible; requires signature	Not possible; requires signature	Not possible; requires signature	Not possible; requires signature	Not possible; requires signature	Not possible; requires signature
Application cover letter	Yes, if required by manufacturer	Yes, if required by manufacturer	No	No	Yes, if required by manufacturer	Yes, if required by manufacturer	No
Mailing labels	Yes	Yes	No	Yes	Yes	Yes	No
Medication labels	Yes	Yes	Yes	Yes	No	No	No
Start to finish tracking process	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Refill information	Yes	Yes	Yes	Yes	Yes	Yes	Yes
$ Value of PAP meds	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Acceptance/Denial rate by company	Yes	Yes	Yes	Yes	Yes	No	Yes
Track meds by patient	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Summary stats	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Link to other organization databases	Yes (optional)	Yes	No	Yes	Yes	No	No
Customization capability	Yes	Yes	Yes	Yes (reports)	Yes (forms)	Yes	Yes
User's manual	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Technical assistance	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Rec. minimum hardware/software	Windows XP or greater, Adobe not required	Windows 2000 or greater, 128 MB of RAM, Acrobat Reader	Windows 2000 or greater, 3 GB processor, Internet access, Acrobat Reader	IE 6.0 or greater; Windows XP or greater, Internet access	Internet access	High speed Internet access	Windows 98 or newer, 56 bps modem or faster, Acrobat Reader
Names of available PAP meds	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Contact info for PAPs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Application instructions/eligibility info	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Automatic patient eligibility	No	No	No	No	No	No	No
Multiple applications capability	Yes, up to 8	Yes	Yes, up to 5	Yes	Yes	Yes	Yes
Cost	Contact company.	Basic entry level is $250/mo. Upgrades available at additional costs.	Contact company	Annual license base charge: $1,100, Annual license discount charge: $500 (for tax-exempt non-profits)	Contact company	$500 for the first 2 users and $100 for each additional user	For Primary database $4,400 per year, each additional database $3,900 per year.
Developed by Toledo-Lucas County CareNet, 2006 (www.toledocarenet.org/) Expanded by: Rural and Urban Access to Health (RUAH) (www.stvincent.org/about/RUAH/default.htm), 2008 and Ascension Health, 2009 (www.ascensionhealth.org)							

APPENDIX E – RESEARCH FINDINGS ON UTILIZING PATIENT ADMINISTRATIVE FEES TO OFFSET PAP OPERATIONAL COSTS

In November 2008, Ascension Health hosted a series of phone interviews with leaders in the Patient Assistance Program (PAP) community. Interview participants were solicited through RxAssist.org, a national PAP community listserv. The goal of the project was to identify important considerations related to assessing an administrative fee to support PAP service operations.

In total, five leaders were interviewed. Two represented nonprofit community-level PAP assistance programs, one led a for-profit PAP assistance program, one represented a PAP software development company with an exclusive relationship with Community Health Centers, and one represented a PAP operations replication clearinghouse. All interviewees had direct exposure to PAP operations that offset costs by charging patients an administrative fee.

Key learnings included the following items below:

1) *Starting and maintaining a PAP Administrative Fee:*
   - It is easier to begin program operations with a fee rather than adding the fee later. Several agency leaders reported that implementing the administrative fee after the launch of the PAP program led to great difficulty communicating the value of the new cost, and also led to patient opposition and customer drop-off.

   - Several leaders communicated the need for careful consideration of the billing, collecting and recording of administrative costs. Poorly-timed payment, complex payment processes or unclear policies will impact continuity of medication access. PAP operations typically are not designed to handle money collection, so thoughtful training and policies are necessary. Because of collection costs and delinquent payments, the net income from an administrative fee often is far less than the charge.

   - A “bridge” process or waiver will be needed to assist indigent patients, and those using so many medications that a per-scrip charge would be prohibitive. This bridge may be a formal policy that allows staff to write off the cost if patents meet certain criteria. Several leaders communicated that a formal system of waiving costs was critical to the success of their programs.

   - One leader reported that the least administratively burdensome process was to charge a monthly membership fee to the patient, and have all medications delivered directly to them.

   - One leader challenged programs that assess a fee to consider that if patients are capable of navigating the PAP system themselves, the fee may not represent a sound ethical business case. The assistance must be worth the fee, and the fee must bring equitable value.

2) *Assessing PAP Administrative Fees:*
   - PAP fees are charged on a per-form basis, or as a membership cost into a program (levied annually, quarterly, or monthly). For the latter, the membership fee coves the cost of all forms needed during the membership time, including refills that may be required during membership.

   - One leader described the tension between access and cost. Programs must consider the purpose of the fee and whether it will enhance access or achieve some other objective. When the fee becomes too high for patients, the program faces a conflict of purpose.

   - The per-PAP form fees were reported to range from $0 to $16 per form.

   - The per-month membership fees were reported to range from $0 to $19.99 per month.

3) *Regulations associated with a PAP Administrative Fee:*
   - Any plans to charge patients for PAP services or provide free services to patients should be reviewed by legal counsel, particularly if a healthcare provider, such as a hospital or physician, is involved.

   - Depending on the healthcare providers participating in the PAP system, state regulations may apply. Contact legal counsel, a knowledgeable pharmacist, or the state Board of Pharmacy to determine whether any regulations apply to your PAP services.

   - Some drug manufacturers may have specific guidelines with regard to participating in PAP programs to assist patients in obtaining medications from that manufacturer. Some drug manufacturers may also vary their guidelines, depending on the drug.

   - No interviewee was aware of manufacturer guidance that prohibits charging for the completion of a PAP form. However, it was stated by one manufacturer that administrative fees must be “usual and customary.”

   - Some manufacturers prohibit physicians from collecting an administrative fee for PAP form processing and PAP operations with regard to their drugs. It is important to understand the manufacturer’s guidelines.

4) *Relationships with prescribing physicians:* It is important to cultivate relationships with the community’s prescribing physicians. Patients will benefit from providers’ prescribing behavior if the physicians prescribe medication with consideration for the 3,000 PAP-available branded medications or the 300 available at highly-reduced cost as generic alternatives.

Attachment I

SAMPLE DISPENSARY OF HOPE GRANT PROPOSAL

Proposal to Improve Access to Prescription Medications
In the Greater New Orleans Region
Draft Date 03-04-09

A proposal prepared for:

[Name]
[Title]
[Address]

Submitted by:

[Name]
[Title]
[Address]

on behalf of **[organization or the coalition/planning committee to form the organization]**

Organization/Community Coalition/Planning Committee Members

[Insert list of organization, community coalition/planning committee members or board members-page set up for 2 columns]

TABLE OF CONTENTS

Introduction

This proposal was prepared to review the planning efforts underway to implement a collaborative health care access program, the *Dispensary of Hope* network pharmaceutical access model, in the greater New Orleans region (Orleans, Jefferson, St. Bernard, and Plaquemines Parishes); to explore possibilities for collaboration with **[funder]**; and to request funding to support the *Dispensary of Hope* network pharmaceutical access model. The *Dispensary of Hope* network pharmaceutical access model will address the difficulty people experience when attempting to access prescription medications in the greater New Orleans region and will provide a replicable model for other locations across Louisiana. For your convenience, this paper will provide an executive summary; describe the need for access to prescription medications in the greater New Orleans region; review the planning efforts underway by **[name]**; and conclude with a request for support.

Executive Summary

Access to prescription medication has become extremely challenging for uninsured individuals who live in Louisiana. **[Name or a community planning committee and coalition]** has formed in the greater New Orleans region to expand pharmacy services using the Dispensary of Hope, LLC distribution network pharmaceutical access model (the "*Dispensary Network*"). The **[expanded or new]** dispensing site will be located at **[place]**. **[Consider referencing planned coordination with other statewide pharmacy programs, such as SENLA.]** Leveraging the system developed by the *Dispensary Network*, the **[new or expanded]** dispensing site will be an important part of the solution to provide prescription medications for the uninsured in the greater New Orleans region, as well as assist individuals in applying for Pharmaceutical Access Prescription ("PAP") programs. This proposal seeks start-up funds to continue formation and implementation of **[name or name's plans]** and to lay the groundwork for a successful, financially sustainable program to provide greater health care access in the greater New Orleans region.

Access to Prescription Medications

Access to prescription medications is necessary for all individuals to manage their medical conditions and avoid costly emergency department care or hospital admissions, but particularly so for individuals with chronic disease. These chronic diseases include heart disease, cancer, diabetes, pulmonary conditions (such as asthma), and mental health, which shorten lives, reduce quality of life, and create a considerable burden for caregivers and the health care system. According to the United Health Foundation, in 2008, Louisiana's Health Ranking was 50th out of 50 states, a drop from the 49th position the previous year.[3] The United Health Foundation ranked Louisiana 50th due to its high rate of uninsured individuals, high rate of preventable hospitalizations, and high prevalence of obesity (30.7%) of the population.[4]

For individuals with certain chronic diseases, such as diabetes, lack of access to prescription medications can lead to immediate complications. Adverse outcomes for individuals without access to prescriptions for other types of conditions, such as hypertension or osteoporosis, may take longer to occur, but will also ultimately lead to complications and expensive care if not appropriately managed. One researcher has found that each $1.00

[3] United Health Foundation, "America's Health Rankings 2008-Louisiana," http://www.americashealthrankings.org/2008/pdfs/la.pdf, accessed 27 February 2009.
[4] *Id.*

increase in pharmaceutical expenditures is associated with a $3.65 reduction in hospital care expenditures;[5] however, there is a variation of opinions on the proper methodology to calculate the impact of pharmaceutical expenditures on hospital care.[6] It is clear, however, that patients will have greater difficulty managing their chronic disease if they do not have access to prescription medications.

Paying for Prescription Medications

A Kaiser Family Foundation 2008 survey found that the public is having increased difficulty paying for prescription medications:

> *"Four in ten adults (41%) say it is at least somewhat of a problem for their family to pay for prescription medications they need, and 16% say it is a serious problem. Three in ten adults (29%) say they have not filled a prescription because of the cost in the last two years, and nearly a quarter (23%) say they have cut pills in half or skipped doses in order to make a medication last longer. Four in ten (40%) report at least one of these problems."*[7]

It is more difficult for patients to pay for prescription medications when the patient takes large numbers of medications or is in a lower income bracket. The Kaiser survey found that:

> *"While 16% of the public overall says it is a serious problem for them or their family to pay for the prescription medications they need, over a quarter (27%) of those who take four or more medications, and nearly three in ten (29%) of those with an annual income of less than $25,000 report this problem."*[8]

It is estimated that there are 358,958[9] adult nonelderly individuals in the greater New Orleans area, of those, it is estimated that between 35-50% (at least 125,635) are uninsured.[10] Therefore, there are a large number of individuals in the greater New Orleans area with unmet health needs who may be unable to afford prescription medications, may not see a physician regularly, and may need assistance to enroll in public coverage programs.

The current economic climate has also caused an increase in the number of uninsured and the number of new Medicaid enrollees. In 2008, the Kaiser Family Foundation also found that:

> *"A one percent rise in the nation's unemployment rate is projected to lead to 1.1 million additional uninsured and 1 million new Medicaid enrollees (600,000 children and 400,000*

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[5] Frank Lichtenberg, "Do (More and Better) Drugs Keep People Out of Hospitals?," *Health Economics*, 86 no. 2 (May 1996), 384-387.

[6] Yuting Zhang and Stephen Soumerai, "Do Newer Prescription Drugs Pay for Themselves? A Reassessment of the Evidence," *Health Affairs*, 26 no. 3 (May/June 2007), 880-886 and Frank Lichtenberg, "Effects of New Drugs on Overall Health Spending: Frank Lichtenberg Responds," *Health Affairs*, 26 no. 3 (May/June 2007) 887-890.

[7] Kaiser Family Foundation, "Kaiser Public Opinion Spotlight Updated April 2008", http://www.kff.org/spotlight/rxdrugs/upload/Rx_Drugs.pdf, accessed 3 December 2008.

[8] Ibid.

[9] United States Census, estimated 2007 data, http://quickfacts.census.gov/qfd/states/22/22075.html, accessed 27 February 2009.

[10] R. Rudowitz, D. Rowland, and A. Shartzer, "Health Care in New Orleans Before and After Hurricane Katrina," Health Affairs, web exclusive, 29 August 2006.

adults), increasing overall state Medicaid spending by $1.4 billion while tax revenues fall 3 to 4 percent."[11]

The greater New Orleans area has entered a period of significant economic difficulty, with increasing poverty, greater numbers of uninsured, loss of jobs, lack of access to health care, and poor health status. Individuals who returned to the greater New Orleans region after Hurricane Katrina have had difficulty finding health care providers because of the loss of hospitals and medical professionals after the storm.[12] Health care providers have successfully rebuilt parts of the health care system **[insert text about the rebuilding success of your organization]** but it is clear that the challenges of rebuilding are magnified by the "devastation to the overall health care system; the loss of numerous health care providers and staff; questions about the stability of state and local revenues; and uncertainties around the size, composition, and timing of the population returning to New Orleans."[13]

Current Prescription Assistance Programs

Community efforts have been underway for years to improve access to prescription medications through the provision of sample medications, bulk sample distribution from manufacturers to significant dispensers of medication, assistance with PAP applications, medication discount cards, and efforts by major discount chains such as WalMart or Target to provide affordable generic medications. Unfortunately, these efforts are not sufficient to respond to the needs of the community. Sample distribution is administratively burdensome, PAP applications can take up to 6 weeks to process, and WalMart and Target locations are not accessible for all patients and are often not an option for those in need of many medications for chronic disease. For these reasons, **[name]** is eager to expand its efforts and implement the *Dispensary Network* model to improve access to prescription medications.

Organization Description

Overview

The region served by **[name]** includes the greater New Orleans area. **[Describe recent assessment/planning efforts, such as: Among the priorities identified during the recent planning and community assessment effort were access to prescription medications, enrollment in coverage programs, and access to primary care providers. Some of the other significant health issues identified included rates of diabetes and obesity. There is a significant shortage of mental health providers and lack of access to these services for both insured and uninsured individuals. Community planning efforts have explored various ways to respond to the needs identified through this assessment process and to learn about a specific program opportunity for prescription medication access.]**

The Dispensary Network

[Name] plans to implement the *Dispensary Network* model that was founded in 2003 by Dr. Bruce Wolf in Nashville, Tennessee. The *Dispensary Network* is a nonprofit tax exempt organization sponsored by Saint Thomas Health Services, a member organization of Ascension Health, that is located in Nashville. Dr. Wolf

[11] Stan Dorn, Bowen Garrett, John Holahan, and Aimee Williams, "Medicaid, SCHIP and Economic Downturn: Policy Challenges and Policy Responses," prepared for the Kaiser Commission on Medicaid and the Uninsured, April 2008, http://www.kff.org/medicaid/7770.cfm, accessed 3 December 2008.

[12] R. Rudowitz, D. Rowland, and A. Shartzer, "Health Care in New Orleans Before and After Hurricane Katrina," Health Affairs, web exclusive, 29 August 2006.

[13] *Id.*

realized that many physicians were wasting sample medications that could be redistributed to patients in need. In 2007, pharmaceutical companies spent 6.7 billion on physician advertising,[14] including approximately half of those funds devoted to sample distribution. Approximately 92% of physicians have accepted free samples from manufacturers,[15] which is a significant source of underused medications. For example, a physician may have received 20 doses of a medication that the physician rarely prescribes or that are likely to expire before the physician would ever have a chance to prescribe the medication. Such doses are typically wasted.

Capitalizing on the concepts of pooling sample medications within a health care organization along with obtaining bulk distribution of medications from manufacturers, Dr. Wolf created an innovative hybrid system to maximize the collection of sample medications from physicians and overproduction from manufacturers around the country to redistribute them to patients in need. Essentially, the Dispensary Network is a distribution center and central fill pharmacy that facilitates a partnership between hospitals, clinics, physicians, pharmacies, manufacturers, and reverse distributors to donate excess medications; collect the medications; and distribute the medications to dispensing sites which are able to dispense the medications to patients in need. The *Dispensary Network* acquired a license as an out-of-state wholesale distributor in Louisiana. Please see Appendix A for further information regarding the *Dispensary Network*.

Proposed [Name] Program

Through the planning process, **[name or community coalition/planning committee]** established a goal of creating several dispensing sites to improve access to pharmaceuticals for the uninsured or underinsured by sponsoring community not for profit dispensing to provide access to prescription medications for those under 200% of the federal poverty level ("FPL"). **[Name] [will add a dispensing site, lease additional space (as applicable)]**, obtain equipment, and employ pharmacy staff at this central location, including fully leveraging the skills of volunteers. The *Dispensary Network* will provide prescription medications to support the inventory, manage the sample program, and work with the local community to collect samples from physician offices. Staff will also assist with submission of applications for PAP programs so eligible clients can have access to prescriptions by mail directly from the manufacturer.

There is strong support from the community for this effort. **[Describe community offers of support such as matching funds, in kind services, etc.]**

The necessary infrastructure will require obtaining start-up funds for the following: location (leasing the space and preparing it to comply with any relevant regulations), necessary equipment, and needed staff (pharmacists and other staff to assist the patient in obtaining the medication, as required by law). **[It is anticipated that the largest expense for this program is for the pharmacy staff that will be needed to support this center.]** The *Dispensary Network* requires an annual fee to cover the logistics of shipping the medication to dispensing sites. The annual fee varies by the amount of medications dispensed at each location, but the fee ranges from $0 to $75,000 for prescription drugs in amounts over $500,000 of wholesale drug value.

Communication Plan

[14] Kaiser Family Foundation, "Prescription Drug Trends, September 2008," http://www.kff.org/rxdrugs/upload/3057_07.pdf, accessed 3 December 2008.

[15] Barbalee Sym, Michael Averett, Samuel Forjuoh, and Cheryl Preece, "Effects of Using Free Sample Medications on the Prescribing Practices of Family Physicians," Journal of the American Board of Family Medicine, 19 no. 5 (September/October 2006), 443-449, http://www.jabfm.org/cgi/content/full/19/5/443, accessed 3 December 2008.

[Name] understands the importance of strategic communications and publicity. Publicity helps to increase community involvement, generate funds, and support replication efforts. Publicity plays a key role in the operations of **[Name]** for the dual objectives of patient outreach as well as the need to obtain sample medications from local physicians. The *Dispensary Network*'s current inventory cannot support the addition of new dispensing sites without obtaining additional samples from the local community.

On average, the *Dispensary Network*'s marketing program, adapted for each local community, adds 25 new physician practices a week. These providers agree to donate their samples, through a user friendly donation system, to the *Dispensary Network*, which helps support the opening of new dispensing sites around the country. In the greater New Orleans region, **[coalition members have initiated the physician participation campaign with pamphlets and planned presentations so that providers who accept samples will begin donating samples to the *Dispensary Network* as soon as possible.]** It is anticipated that the *Dispensary Network*, by offering electronic sample management and donation software to be used over the internet, will increase the number of physician practices that receive and donate samples by easing the administrative burden of tracking and managing samples. The *Dispensary Network* has developed standard communication materials for physicians, enabling the physician to complete the registration and begin donating medications within just a few days.

[Name] has experience communicating health care issues to the community. **[Describe events, if applicable, such as Cover the Uninsured Week activities, which have included interviews with local press regarding the problem of the uninsured, health fairs, facilitated enrollment, school outreach, interfaith events, and communication with state and local government regarding the issue.] [Describe experiences with providing pharmacy assistance services to the community, providing free medications, and any relevant experience communicating the available health care services to patients.]** In addition, the *Dispensary Network* will provide a set of prepared materials to be used to spread the word about the new dispensing site to the patients who may be eligible for prescription drugs and to other providers to encourage donation of sample medication to the site. The *Dispensary Network* has extensive experience communicating with physicians, patients, and state and local governments.

[If desired, add further details on the communication plan such as: the community coalition will work together to determine the communication plan and each stakeholder will provide input regarding the plan. Name will leverage the skills of its public relations department to develop the appropriate messaging. Name has extensive experience working with the media to receive in kind media coverage and production of awareness campaigns. The communication plan will address the dual objectives of patient outreach and the need for sample donations from physicians. The communication plan will be tailored to various audiences, including the general public, local health care providers, local employers, and government officials. The timetable for communications about Name will evolve as funding is received and operations begin. If necessary, the communications plan will be adjusted as operations commence. Once operational, Name will be able to communicate the outcomes measures and return on investment results to the coalition and the community.]

Evaluation

After the program is implemented, the program will be subject to evaluation. The evaluation will include a qualitative case study as well as quantitative data collection, including as outcome measures and return on investment. The case study will describe the role and value of **[name]** in launching and sustaining this program in order to disseminate knowledge gained by **[name]** to other organizations. **[Insert a description of the**

chosen outcome measurement and return on investment, if Ascension Health NAOMI and ROCI tools are chosen, use the following: The quantitative measures will utilize the National Access Outcomes Measurement Initiative ("NAOMI[SM]") pharmacy access metrics[16] as one of its methods to evaluate outcomes as well as the Ascension Health developed tools for return on community investment ("ROCI") modeling.

NAOMI is intended to offer a standardized methodology so that progress can be tracked in a consistent manner and information compared between programs for effective program evaluation. NAOMI measures are submitted by participating health ministries to Ascension Health on a regular basis, which allows for ongoing program evaluation and communication. NAOMI measures two pharmacy access measures, the percentage of unduplicated individuals who receive free prescription medications from the program and the retail cost of free prescription medications provided by the program. [Name's] success will be demonstrated by its ability to leverage initial investments to continually increase the number of individuals who receive free prescription medications from the program as well as increasing the number of the free prescription medications that are distributed.

A significant challenge to the analysis of health care access issues for the uninsured and underinsured is the limited body of published research that will support model assumptions and development. Many nonprofit organizations invest significant time and resources to determine whether the program achieves an adequate return on investment. In order to ease this burden on organizations, Ascension Health has developed ROCI modeling tools. These tools are designed to demonstrate either prospective ROCI or retrospective ROCI, depending on the organizational need and the available data. The tools consider the benefits of a program to a wide variety of stakeholders, from hospitals and payors to employers and patients. Name's success will be demonstrated by its ability to leverage initial investments to provide substantial return on investment to community stakeholders, including, among others, employers and local health care providers. Use of the Ascension Health NAOMI and ROCI tools will permit Name to conduct its own program evaluation without the added expense of hiring additional staff.] As part of its program evaluation efforts, **[Name]** will periodically report on the program to **[funder]**, **[the community coalition/planning committee]**, its Board of **[Directors or Trustees]**, and the local community. Program evaluation results will be translated into action plans to fully support the efforts of **[Name]** to bring increased access to pharmacy services to the uninsured.

Sustainability

[Name] is committed to developing a sustainable model through leveraging the expertise of the **[community coalition/planning committee members or board of directors and the]** *Dispensary Network*, utilizing creative staffing approaches, tracking the direct cost reduction in the purchase of prescription medications, and demonstrating the value of the program, including return on investment principles, to the community in order to obtain ongoing support. First, the **[Name]** will leverage the expertise of *Dispensary Network*. The *Dispensary Network* has extensive experience working with dispensing sites to customize the program that best meets the community's needs and it has filled over 100,000 prescriptions since 2004. Currently, the *Dispensary Network* has 17 sites dispensing medication with an additional 8 dispensing sites in the implementation process. The

[16] The NAOMI pharmacy measures include the following: demonstrate the impact of pharmaceutical assistance programs by the percentage of unduplicated people who receive prescription assistance and demonstrate the impact of the pharmaceutical assistance program by the retail cost of medications obtained. NAOMI measures are reported for each community coalition that has an applicable program, allowing Ascension Health to standardize the data and compare the effectiveness of the programs across the system. Please see the Access Leadership Outcomes Toolkit for a complete list of the NAOMI measures.

successful replication of the *Dispensary Network* demonstrates the sustainability of the model. Leveraging the health care expertise of the coalition members as well as the *Dispensary Network* will provide **[name]** with a significant operational advantage to keep the costs low, while meeting legal requirements for dispensing medications.

Second, **[name]** will utilize creative and tested approaches for staffing, which is its largest expense. In addition to the full time pharmacist oversight, if required for the dispensing site, **[name]** will explore how best to utilize volunteer retired pharmacists to supplement the full time staff. The *Dispensary Network* is currently working with a volunteer retired pharmacist model in partnership with the St. Vincent DePaul Society in other locations, including in Mobile, Alabama.

Third, **[name]** will track the direct cost reduction in the purchase of prescription medications. Some organizations that currently provide free outpatient prescription medications will save funds with the opening of **[name's]** dispensing site. **[As one example, the Free Clinic spends approximately $110,000 annually to purchase prescription drugs for its patients. It is estimated that some of that cost would be replaced by name's inventory (some generic medications may still need to be purchased).]**

Finally, **[name]** will utilize analytical tools to promote the value of the program to various constituencies in order to seek ongoing investment, in kind support, and additional volunteers. **[If Ascension Health NAOMI and ROCI are used: Nationally tested models for outcomes measures and return on community investment, as described above in the Evaluation Section, will be available.] [Describe any matching funds, grants, or other sources of sustainable funds.]**

Funding Request

[Name] is seeking start-up funds from **[funder]**. The request is for **[$_____]**. **[We are not sure how you intend to set up the pharmaceuticals access model and what funds you may need, aside from the *Dispensary Network* fees. You may consider elaborating on your planned use of the funds.]** A projected start-up/operating budget is attached as Appendix B. **[Please note that this sample budget is from a project that plans to open a community pharmacy. If you have a dispensing site currently, many of the items on this sample budget may not be applicable to your operations.]**

Conclusion

The *Dispensary Network* offers a replicable model for expanding access to health care for the uninsured. This model provides a valuable opportunity to explore how this effort can be replicated in other Louisiana locations with the potential to be more broadly adopted in other locations as well. Implementation of the model is an important health policy opportunity for the following reasons:

- It can create an opportunity for community health and social services providers to collaborate on a program that will benefit a large number of individuals;

- The capacity of the program can be expanded to other communities because the model is supported by the local providers' commitment to support the *Dispensary Network* platform and to contribute samples;

- It is a model that can be used to leverage the participation of volunteers and other groups. (In other locations, there are linkages with Schools of Pharmacy, retired pharmacists, the St. Vincent De Paul Society, and state government);

- It will benefit the health care system and providers by focusing on prevention, specifically, the provision of medications to manage chronic diseases, and avoiding unnecessary use of health care resources, especially by the uninsured;

- It is a model that could benefit the Louisiana in a time of limited resources because a small investment to support the operations has the potential to return significant value to the community; and

- It is able to provide leadership on regulatory reform to support access to prescriptions for the uninsured through community solutions such as charitable pharmacies and prescription donation programs.

We appreciate this opportunity to share the planning efforts that are underway to form the **[name]**. We look forward to meeting with you to discuss the program and your suggestions on the model and ideas for obtaining sustainable funding as well as opportunities for further collaboration to increase access to prescription medications in Louisiana.

SAMPLE DISPENSARY OF HOPE GRANT PROPOSAL

Appendix A – How the Dispensary Network Works

The *Dispensary Network* has achieved significant milestones in its first few years. The *Dispensary Network* has developed a network of more than 800 physicians and clinics who regularly donate sample medications. Since 2004, the *Dispensary Network* has collected more than 18 million dollars worth of sample prescription medications for redistribution. Once the medications are collected, the *Dispensary Network* processes them via their web-based e-Hope system and distributes them to dispensing sites in the network, thus fulfilling over 5,000 prescriptions each month, with more than half of those prescription refills from returning patients. In June 2008, the *Dispensary Network* celebrated the filling of its 100,000th prescription. The *Dispensary Network* has received support from multiple individuals and groups, including over one million dollars in state funding from Tennessee's Governor Phil Bredesen and multi-year sponsorship from hospitals, including Mountain States Health Alliance.

Patient Eligibility

Due to its receipt of medications directly from the manufacturers which include contractual requirements to determine patient eligibility, as well as the desire to focus its assistance on those patients with the greatest need, patients receiving prescriptions from the *Dispensary Network* must meet certain requirements. Uninsured individuals whose income is below 200% of the FPL can receive medications at no cost. The Census Bureau estimates that in 2007, approximately 91 million Americans earned income less than 200% of the federal poverty level ($42,000 for a family of 4 in 2008). In addition, individuals are not required to be a United States citizen to receive medications from the *Dispensary Network*, unlike the requirements of some PAPs.

Formulary and Sourcing Strategy

The *Dispensary Network*'s sourcing strategy is directed at obtaining medications used to treat the most common chronic diseases, specifically, diseases treated by specialists in cardiology, endocrinology, pulmonary, and mental health. The *Dispensary Network*'s inventory/formulary continually evolves to meet the needs of the dispensing sites. Currently the formulary consists of 1,700 medications in various dosages. Each dispensing site can access the inventory via the e-Hope web site, which provides real time access to the full inventory and supports weekly ordering online.

Implementation

The *Dispensary Network* works with each community to design a dispensing model which will provide optimal pharmaceutical access to the community's unique patient population, while leveraging existing resources in the community. Communities have flexibility to determine what type of site is appropriate to dispense the medications. Dispensing sites in other communities have included: community clinics that primarily serve the uninsured, community pharmacies that serve the uninsured, hospital outpatient pharmacies, or county health departments. State law also governs the licensure requirements for a dispensing site, including the type of pharmacy or institutional license that may be required for the operation of a particular dispensing site as well as compliance with applicable regulations regarding such as medication storage and pedigrees.

Logistics

Each dispensing site is connected to the *Dispensary Network*'s secure online medicine and patient management system, "e-Hope." e-Hope facilitates ordering medication from the distribution center, patient registration and qualification, and dispensing medication directly to patients. e-Hope is a secure system that enables dispensing sites to track their patient's medication history. Patients that are new to the *Dispensary Network* must provide demographic and financial information to ensure the patient is qualified to receive medications. Once the patient is entered into the system, the patient's information can be accessed by any other dispensing sites the patient visits. Each dispensing site can also easily view the *Dispensary Network*'s current inventory, so that a site does not attempt to order medications that are unavailable, or start a patient on a medication that may not be available in the future.

Orders are shipped to dispensing sites via UPS and are accompanied by a shipping manifest and a prepaid UPS return label so that the shipping bins can be easily returned to the distribution center, preferably filled with samples to be redistributed by the *Dispensary Network*. Physician donations to the *Dispensary Network* are also shipped in bins via UPS.

Appendix B – Projected Operating Budget	
Revenue	
- **[Name]** Contributions	
- Grants/donations	
Total Revenue:	
Expenses	
Salaries:	
- Pharmacist	$93,000.
- Social Worker/ Director	$54,000.
- Clerical/Technician	$24,960.
Total Salaries	**$171,960**
Payroll Related	
- FICA	$13,154. (7.65%)
- Health Insurance	$15,781.
Total Payroll Related Benefits	**$28,935**
Total Salaries & and Payroll Related Benefits	**$200,895.**
Supplies:	
- Printing & Office/Mailing	$2000.
- Operating Supplies	$2000.
- Educational/ public information Materials	$1000.
Total Supplies	**$5,000.**
Other Expenses:	
- Computers & Maintenance	$2500. (seeking donated computers)
- Telephone	$ 800.
- Copying costs	$1500.
- Cleaning (contract)	$2000.
- Lease property for Pharmacy + Utilities	$22,594. ($7.77/sq ft base +$2.50/sq ft utilities)
- Minor renovations to site location.	$10,000
- IT Wiring and phone switch set up	$9276
- Sponsorship Fees to Nashville	$50,000. (phased in according to volume of prescriptions)
- Legal fees	$3000.
- Equipment: shelving, files, etc.	$2000.
- Signage for building	$735
- Generic drug purchase	$6000. (to supplement samples)
Total Other Expenses	**$110,405**
Total Projected Annual Expenses for the First Year	**$316,300.**