

Chief Executive Officer
Ryan Harris



Board of Directors
Abe Hathaway, President
Jeanne Utterback, Vice President
Tami Humphry, Treasurer
Lester Cufaude, Director
James Ferguson, Director

Finance Committee
Meeting Agenda
September 23, 2024 at 11:00 AM
Mayers Memorial Healthcare District
Fall River Boardroom
43563 HWY 299 E
Fall River Mills, CA 96028

In observance of the Americans with Disabilities Act, please notify us at 530-336-5511, ext 1264 at least 48 hours in advance of the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations. The District will make every attempt to accommodate your request.

Attendees

Tami Vestal-Humphry, Chair, Board Member
Abe Hathaway, Board Member
Ryan Harris, CEO
Travis Lakey, CFO

				Approx. Time Allotted
1	CALL MEETING TO ORDER			
2	CALL FOR REQUEST FROM THE AUDIENCE - PUBLIC COMMENTS OR TO SPEAK TO AGENDA ITEMS			
3	APPROVAL OF MINUTES			
3.1	Regular Meeting – August 28, 2024	Attachment A	Action Item	2 min.
4	FINANCIAL REVIEWS/BUSINESS			
4.1	August 2024 Financials	Attachment B	Discussion	15 min.
4.2	Accounts Payable (AP)/Accounts Receivable (AR)	Attachment C	Action Item	15 min.
4.3	AR Report	Attachment D	Action Item	2 min.

	Policies			
	340B Covered Entity Eligibility			
	340B DRUG DISCOUNT PROGRAM AND COMPLIANCE			
	340B Education and Competency			
	340B Enrollment Recertification, and Change Requests			
	340B Inventory Management			
4.4	340B Noncompliance/Material Breach	Attachment E	Action Item	5 min.
	340B Patient Eligibility/Definition			
	340B Prevention of Duplicate Discounts			
	340B Prime Vendor Program Enrollment and Updates			
	340B Program Agreement			
	340B Program Compliance, Monitoring/Reporting			
	340B Roles and Responsibilities			
4.5	I2I Proposal	Attachment F	Discussion/ Action Item	5 min.
4.6	Master Planning Update and Budget	Attachment G	Discussion/ Action Item	5 min.
4.5	PIN 74 Project- Burney Annex	Attachment H	Action Item	5 min.
5	ADMINISTRATIVE REPORT		Information	5 min.
6	OTHER INFORMATION/ANNOUNCEMENTS			
7	ADJOURNMENT: Next Regular Meeting – October 30, 2024			
	Posted: 09/20/2024			

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Board of Directors
Finance Committee
Minutes

August 28, 2024
MMHD FR Boardroom

These minutes are not intended to be a verbatim transcription of the proceedings and discussions associated with the business of the board's agenda; rather, what follows is a summary of the order of business and general nature of testimony, deliberations and action taken.

1	CALL MEETING TO ORDER: Tami Humphry called the meeting to order at 11:03 am on the above date.		
	BOARD MEMBERS PRESENT:	STAFF PRESENT:	
	Tami Vestal-Humphry, Committee Chair Abe Hathaway, Board President	Ryan Harris, CEO Travis Lakey, CFO Libby Mee, CHRO	
	ABSENT:	Jessica DeCoito, Acting Board Clerk	
2	CALL FOR REQUEST FROM THE AUDIENCE – PUBLIC COMMENTS OR TO SPEAK TO AGENDA ITEMS - None		
3	APPROVAL OF MINUTES: July 29, 2024 – minutes attached. Motion moved, seconded and carried.	<i>Hathway, Humphry</i>	Approved by All
4	FINANCIAL REVIEWS		
4.1	Interim June & July 2024 Financials: SNF revenue is up compared to last year because our census was up. Auditors working through everything this week. Highly likely that we would get an increase in our supplemental payments. Multiview is uploading reports and figures twice causing a lot of issues. Nice to see RHC was positive this month. Motion to approve June financials was made, seconded and approved. Motion to approved July financials was made, seconded and approved.	<i>Hathaway, Humphry</i>	Approved by All
4.2	Accounts Payable (AP) & Accounts Receivable (AR):		
4.3	AR Report: Biggest challenge is getting Partnership to pay on a swing account from April, but we just received that payment which dropped our AR down by 5 days. And another two that we should get payment on in September. Once received, we should be able to drop our AR days by 10 days. Code with Partnership have changed and caused issues with getting accounts processed. Danielle continues to push on Partnership for a quicker and better turnaround.		
5	ADMINISTRATIVE REPORT: Attended Regional CEO meeting on Monday in Seneca. Big topic was a shared MRI mobile unit between the facilities. Everyone around the table was on board with looking into this opportunity. Comparing GPOs between facilities will occur on top 50 products. Clinical Integrated Network was a topic of discussion where we would stay individual organizations but leverage contract negotiation for better contract services. Legislation on seismic upgrades was brought up. Cerner implementation and current status was discussed and a consensus of unhappiness was shared. A consortium of quality departments will be erected to share processes, workflows and more, especially for QIP measures. Offers are out to two providers that check off a lot of the open provider positions including a CMO. Congrats to Travis on his honor as Becker's 2024 CFO's to Know!		
6	OTHER INFORMATION/ANNOUNCEMENTS: None		
7	ADJOURNMENT: 11:58 am		
	Next Finance Committee Meeting: September 23, 2024		

Finance Notes August FY 25

Ratios	FY 25	FY 24 Average	
Cash on Hand	256	192	Average PY
Net Income	-350,995	709,973	Average PY
Current Ratio	10.93		N/A
AR Days	87	61	Average PY
Accounts Payable	-260,758	651,656	Average PY
Daily Gross Revenue	165,328	169,348	Average PY
YE % of Gross Revenue Collected	71%	68%	Average PY

- 1) Ryan and I had a good initial meeting with USDA to discuss our upcoming project and the steps needed to get funding. We must approach commercial lenders, as USDA can't fund a project that a lender will fund on competitive terms. We may have a bank to finance a portion of the project. Quite a lot of work will go into the financial feasibility study over the next four months. Wipfli suggested possibly hiring a financial advisor, but this should be easier financing than the last one, where I dealt with a GO Bond and refinanced some existing debt issuances.
- 2) Working with Partnership to ensure we get the correct ambulance rate for our Medi-Cal runs.
- 3) The FY 24 Audit and FY 23 Medi-Cal desk reviews are ongoing. The audit won't wrap up until we do our Medicare Cost Report as that's a receivable or payable that we don't know how much to book.
- 4) Cost Report work will start shortly as we have Medicare, Medi-Cal, and Hospice reports due by the end of November.
- 5) Spending quite a bit of time reconciling files from DHCS for the District Hospital Directed Payment Program as there's quite a bit of funding involved. This involves ensuring the amount of outpatient and inpatient days is correct and that all the Partnership visits are marked as contracted. These files get downloaded, reviewed by me, then sent to Partnership for review, then sent to DHCS.
- 6) Below is the revised timing of our Medi-Cal Supplemental Payments.

District Supplementals – FY25 Cash Flow Timing

Version: July 17, 2024

Program (Year)	IGT Date	Payment to Hospital Date	Notes
HQAF VIII (CY23) Direct Grant #4	n/a	Sept-24	
DP-NF (Managed Care CY23)	n/a	Oct/Nov-24	Only in counties that LTC transitioned to MCO in 2023
HQAF VIII (CY24) Direct Grant #1	n/a	Nov-24	
Rate Range (CY 2023)	Nov 22, 2024	Jan-25	
HQAF VIII (CY24) Direct Grant #2	n/a	Dec-24	
HQAF VIII (CY24) Direct Grant #3	n/a	Jan-25	
HQAF VIII (CY24) Managed Care	Dec 20, 2024	Feb/Mar-25	
CHFFA Loan Repayment Year 2	Winter-24	n/a	For those who received a loan
QIP PY 6 (CY 23)	Feb-25	Apr/May-25	
District Hospital Directed Payment – Phase 1 (1/1/23-6/30/23)	Feb-25	Apr/May-25	This is for six months, thus ½ estimated annual amount
AB 113 (FY24/25)	Apr-25	May/Jun-25	Interim Payment
AB 113 (FY23/24)	Apr-25	May/Jun-25	Final Reconciliation – \$ will be minimal
AB 915 (FY23/24)	n/a	By Jun-25	
HQAF VIII (CY24) Direct Grant #4	n/a	Jun-25	

Notes

- Items in **red font** have changed since the last iteration of this documents
- Programs listed are only those that have an IGT or payment between 7/1/24 – 6/30/25
- Dates are based on latest estimates from DHCS and are subject to change



- 7) AR Days in Paragon are coming down and got down to 61.88 when we received our last SNF payment. Partnership has been processing slower since their expansion

Report Date: 09/14/2024

Criteria: All Plans, All Charges

Date	A/R Days
09/14/2024	74.38
09/07/2024	71.33
08/31/2024	65.55
08/24/2024	61.88
08/17/2024	78.63
08/10/2024	76.53
08/03/2024	71.44
07/27/2024	83.84
07/20/2024	83.72
07/13/2024	78.29
07/06/2024	73.87
06/29/2024	96.27
06/22/2024	100.32
06/15/2024	95.44
06/08/2024	113.27

- 8) Cerner days are still over 90 as our average daily revenue has been down due to fewer inpatient days. The formula for AR Days is total AR divided by Average Daily Revenue (ADR), so when ADR goes down, AR days can remain steady even when the total is decreased. There are some positive trends in August as payments were up, AR decreased by 642K, and the Days Not Final Billed (DNFB) is trending in the right direction, meaning bills are getting out the door faster. I am concerned with the AR over 90; we are actively evaluating that. We have some outsourced billers

assisting our in-house billers until AR is back in line. One thing to know is that the historical metrics included SNF charges and payments as we thought we were going to move that to Cerner.

6 Month Environment Summary Trend as of Monday, 16-Sep-2024

[Download Billing Entity Level Data](#)

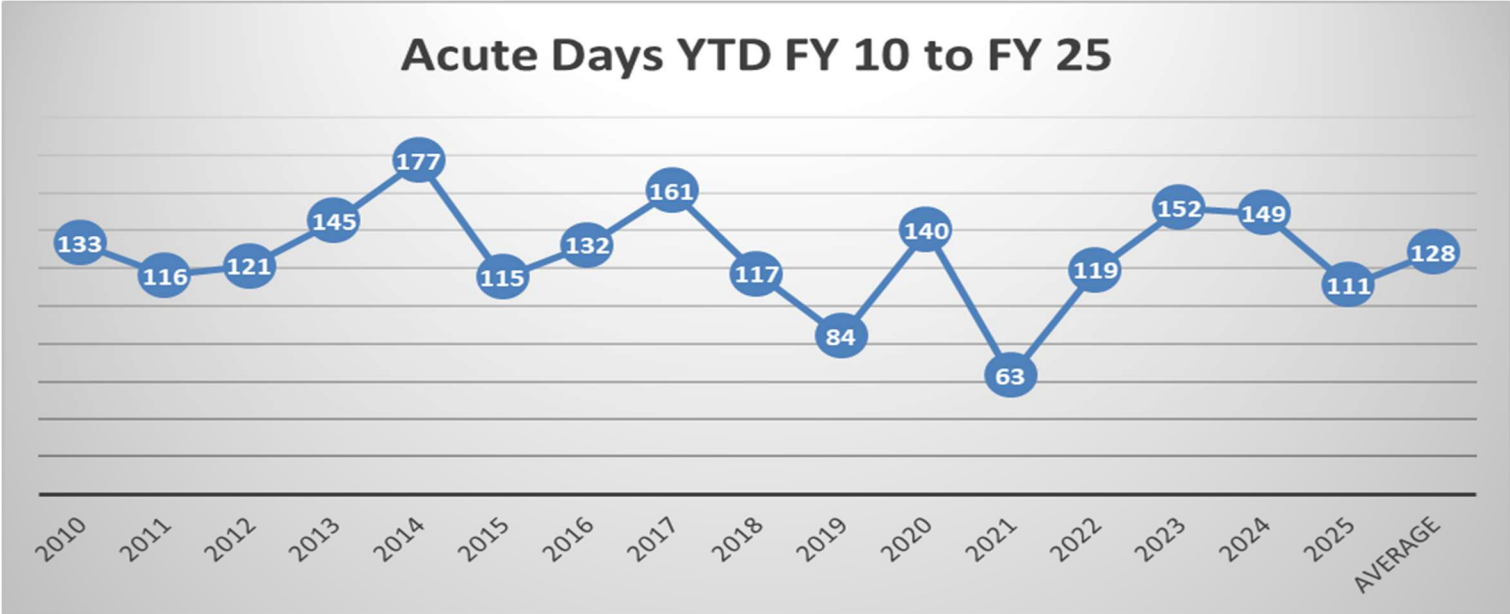
Select Billing Entities

Mayers Memorial Healthcare ... ▾

[Download Facility Level Data](#)

	Historical Avg	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024
Charges	\$4,355,542	\$4,019,162	\$4,181,872	\$4,609,483	\$4,232,184	\$4,060,171	\$3,725,504	\$1,934,605
Payments	(\$2,992,657)	(\$1,708,257)	(\$1,338,895)	(\$2,017,309)	(\$1,819,099)	(\$1,643,533)	(\$2,163,163)	(\$804,704)
Adjustments	\$0	(\$2,209,814)	(\$1,824,919)	(\$2,517,466)	(\$1,902,631)	(\$1,634,646)	(\$2,205,271)	(\$1,314,951)
Net Change in A/R	\$1,362,885	\$101,091	\$1,018,057	\$74,709	\$510,455	\$781,993	(\$642,930)	(\$185,050)
Average Daily Revenue	\$ 108,195	\$133,319	\$135,257	\$139,902	\$143,457	\$139,686	\$131,606	\$126,324
A/R Balance		\$10,183,131	\$11,201,188	\$11,275,896	\$11,786,351	\$12,568,343	\$11,925,413	\$11,740,363
A/R Days	59.49	76.38	82.81	80.60	82.16	89.98	90.61	92.94
A/R > 90 Days		\$2,256,707	\$2,979,480	\$3,397,145	\$4,144,610	\$5,220,402	\$5,214,479	\$4,941,396
A/R > 90 Days %	27.73%	22.16%	26.60%	30.13%	35.16%	41.54%	43.73%	42.09%
DNFB Dollars	\$ 0	\$1,767,670	\$1,567,594	\$1,890,866	\$2,312,365	\$1,716,461	\$1,508,563	\$1,374,054
DNFB Days	18.00	13.26	11.59	13.52	16.12	12.29	11.46	10.88

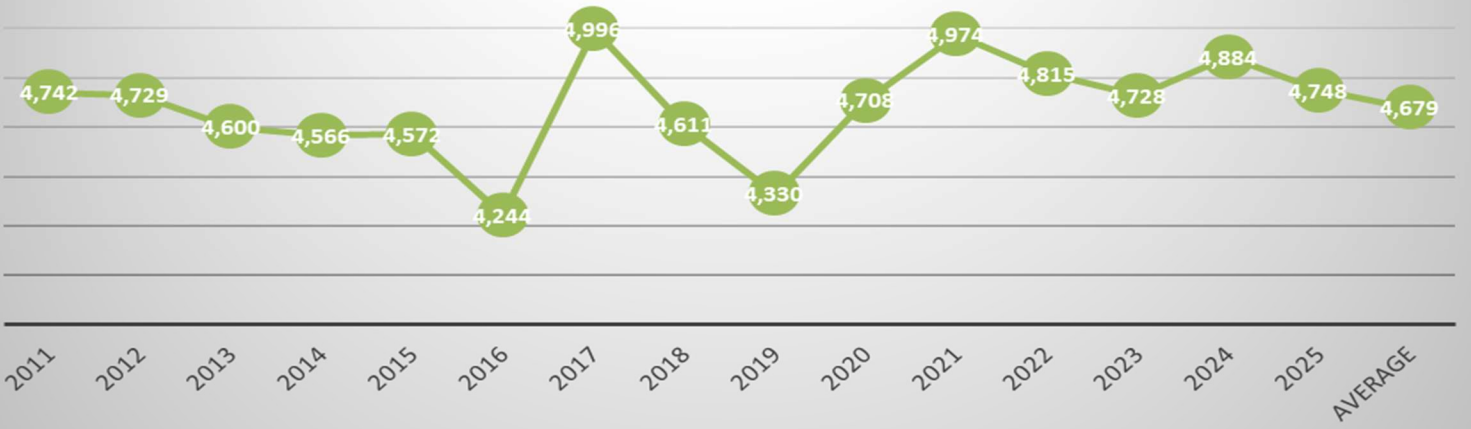
Statistics



Swing Days YTD FY 10 to FY 25



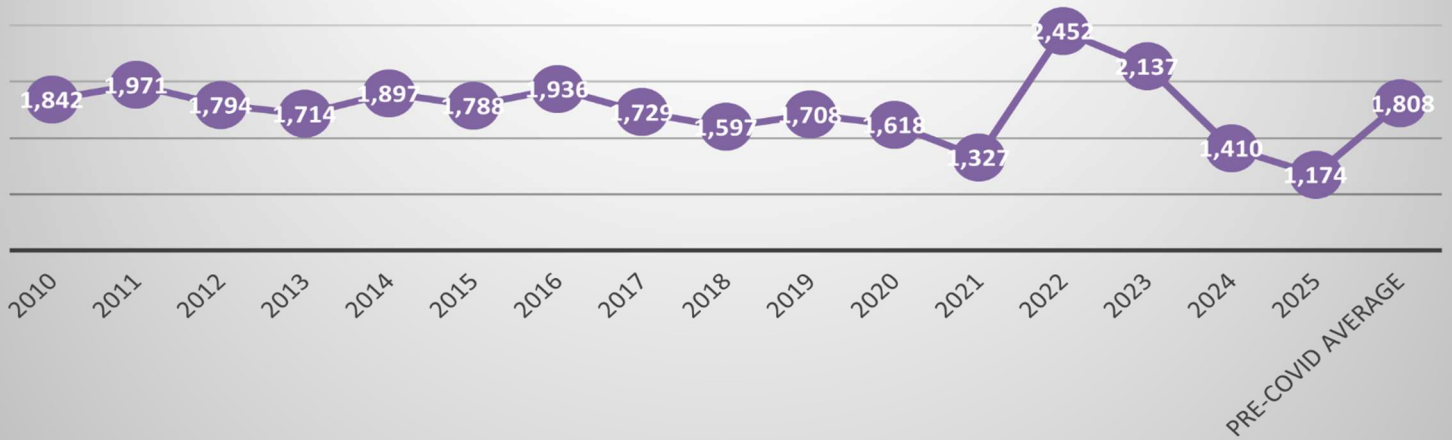
SNF Days YTD FY 11 to FY 25



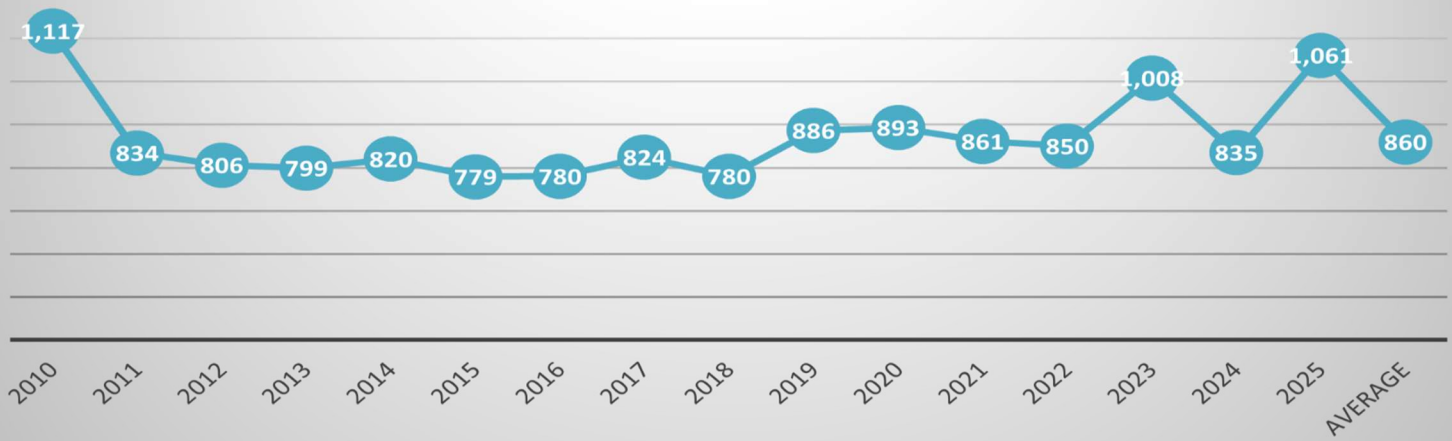
ER Visits YTD FY 10 to 24



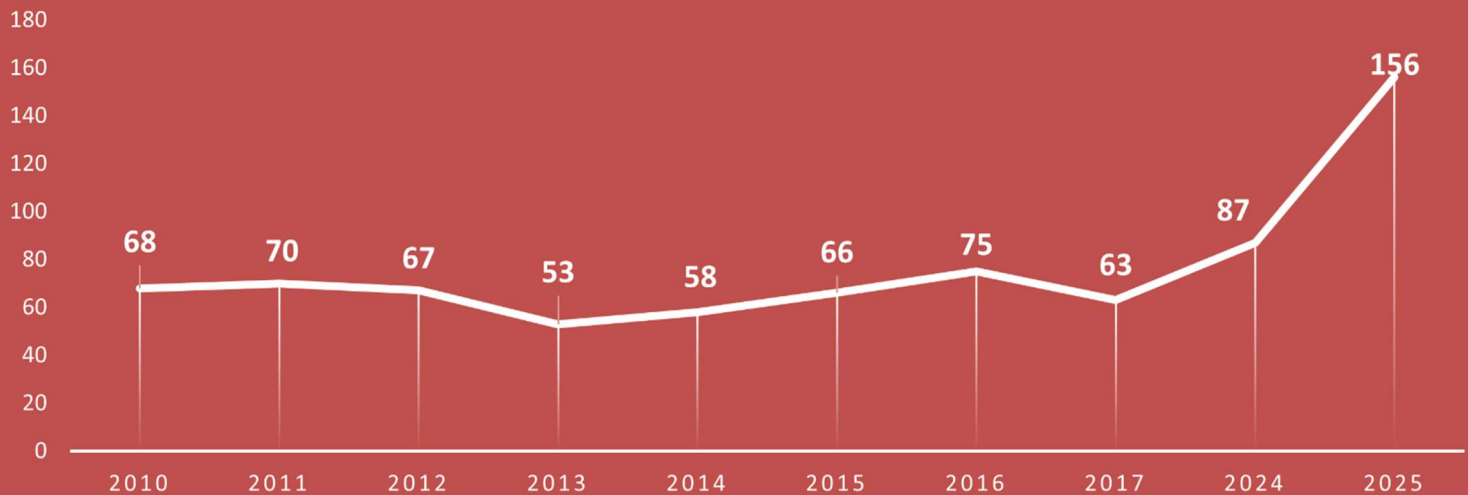
Labs YTD FY 10 to 25



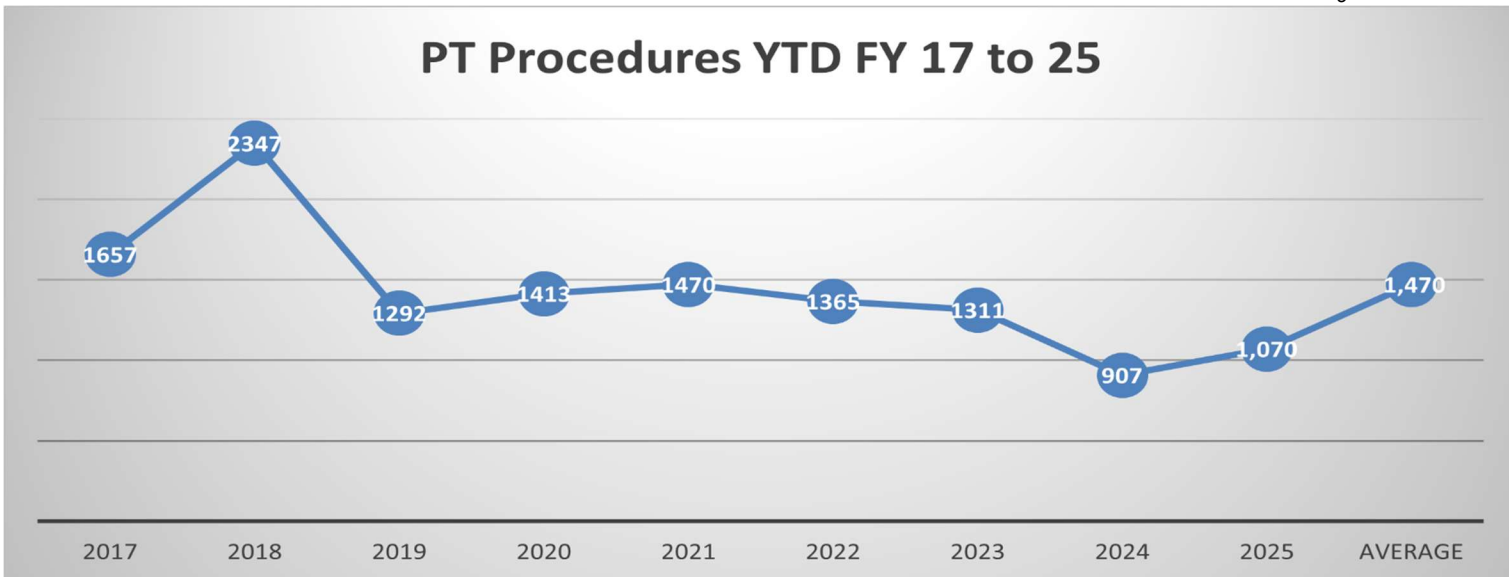
Rad Procedures YTD FY 10 to 25



AMBULANCE CALLS YTD FY 10 TO 17, 24,25



PT Procedures YTD FY 17 to 25



CLINIC VISITS



Income Statement

- 1) Acute Revenue is down due to a lower census.
- 2) Outpatient Revenue is up due to Surgery, increased Ambulance runs, PT, and Rad procedures.
- 3) Contractuals are up as the IGT Payables are happening sooner this year which means a larger payable per month which is the offset for the IGT Receivable hence the higher contractuals.
- 4) Salaries and Wages are up for the month due to wage increases. For the year it's a combination of wage increases and bonuses.
- 5) Employee Benefits are down as we switched health insurances to a captive plan vs a traditional plan. This can vary depending on our claims.
- 6) Supplies are down with the new GPO, but this can fluctuate depending on any high cost patient supplies used in Pharmacy and OP Medical.
- 7) Pro Fees are down but I expect them to increase as we had an ER Doc wage increase and a lot of non-employed coverage in the ER in September.
- 8) Travelers look extremely positive so far YTD. See the comparison to our last year average below.

Accounts	FY 25 Average YTD	FY 24 Average	% Decrease
Other Purchased Service Nurse Travel Acute	\$ 15,586	\$ 66,954	77%
Other Purchased Service Nurse Travel SNF	\$ 290,285	\$ 326,610	11%
Other Purchased Service Nurse Travel Ancillary	\$ 109,795	\$ 133,623	18%
Total	\$ 415,666	\$ 527,186	21%

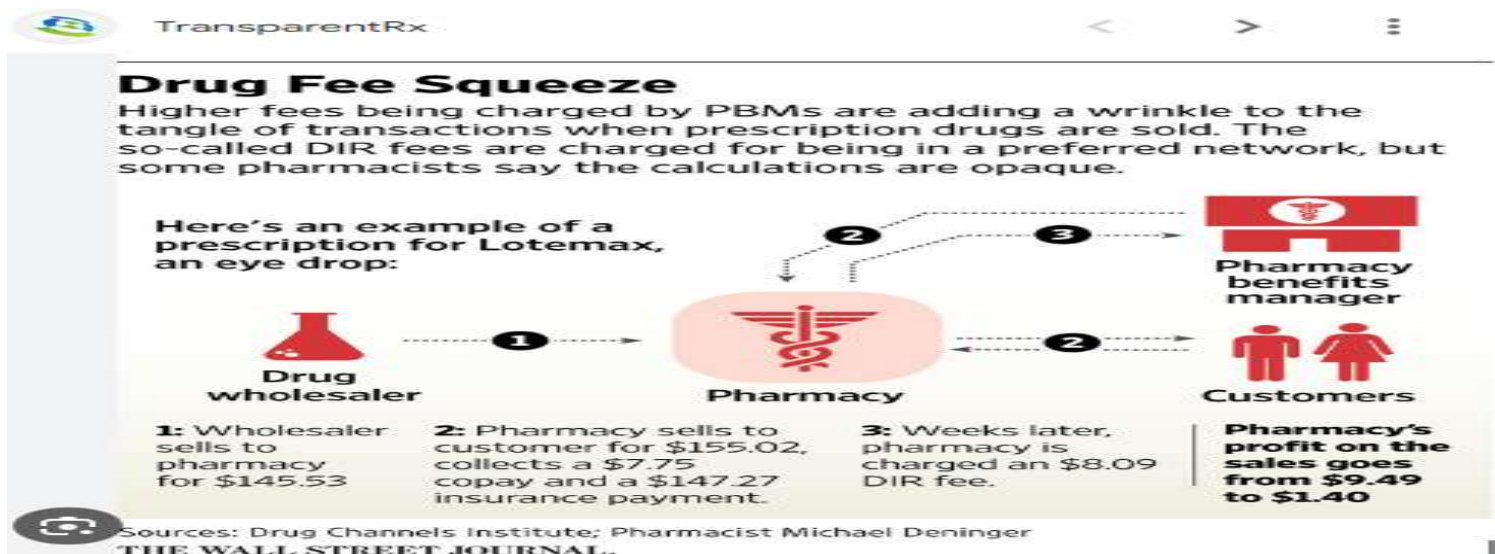
- 9) Utilities are up due to rate increases and the addition of TCCN.
- 10) Total Operating Expenses are down mostly due to decreased Travelers and Supplies.
- 11) Net Income is negative for the period due to the decrease in Acute Revenue and higher contractals.

Balance Sheet

- 1) Cash remained steady as we had a strong collection month.
- 2) Total AR decreased due to the efforts of the business office. It's disappointing to have a dip in Revenue to start the year so their efforts aren't reflected in the AR Days.
- 3) The Medicare/Medi-Cal Settlement will increase as we book that Rate Range and HQAF Receivables monthly. The offset of this entry is the payable for each and the net effect reduces the contractals.
- 4) Current Liabilities are up due to the IGT payables mentioned above.
- 5) The GO Bond Series B and Restricted Cash on the balance sheet will decrease next month, while the USDA interest expense on the balance sheet will increase due to the USDA payments that came out on September 1st.
- 6) Accounts Payable is a rare negative as our check run was at the end of the month, and we paid our health insurance early.

Miscellaneous

- 1) The RHC had a negative month as we had a three-pay period month and revenue was down compared to the prior month.
- 2) The retail pharmacy had a negative month as collections are down due to DIR fees and our own health insurance. We are 235K ahead of last year so far on benefits, so we need to realize that by paying less, there is a negative effect on the retail pharmacy.



MAYERS MEMORIAL HOSPITAL							
Statistical Data							
Fiscal Year Ending JUNE 30, 2025							
COMPARISON TO ACTUAL							
2025		2025		FY 2025		FYE 2024	
August	July			YTD	YTD		
Actual	Actual	Variance	VOLUME:	Actual	Actual	Variance	% Increase or Decrease
DISCHARGES							
14	16	(2)	Acute	30	27	3	11.12%
10	4	6	Swing Bed	14	13	1	7.72%
29	5	24	Skilled Nursing Care (DISCHG)	10	4	6	150.02%
5	12	(7)	Observations	17	9	8	88.92%
PATIENT DAYS							
47	64	(17)	Acute	111	149	(38)	-25.51%
81	30	51	Swing Bed	111	169	(58)	-34.31%
2,388	2,361	27	Skilled Nursing Care	4,748	4,884	(136)	-2.81%
LENGTH OF STAY							
3.36	4.00	(1)	Acute	3.70	4.75	(1)	-22.11%
8.10	7.50	1	Swing Bed	7.93	13.20	(5)	-39.91%
			Skilled Nursing Care				
AVERAGE DAILY CENSUS							
1.52	1.03	0	Acute	1.79	2.45	(1)	-26.91%
2.61	0.48	2	Swing Bed	1.79	4.26	(2)	-58.01%
77.03	76.16	1	Skilled Nursing Care	76.58	76.26	0	.42%
ANCILLARY SERVICES							
0	0	0	Surgery Inpatient Visits	0	0	0	#DIV/0!
12	17	(5)	Surgery OP/ procedure visits	29	3	26	866.72%
379	421	(42)	Emergency Room Visits	624	827	(203)	-24.51%
116	117	(1)	Outpatient Services Procedures	233	238	(5)	-2.11%
564	610	(46)	Laboratory Visits	1174	2,137	(963)	-45.11%
487	574	(87)	Radiology Procedures	1061	1,008	53	5.32%
607	463	144	Physcial Therapy Procedures	1070	439	631	143.72%
212	172	40	Cardiac Rehab	384	458	(74)	-16.21%
76	63	13	Telemedicine visits	139	355	(216)	-60.81%
14	21	(7)	Admissions from ER	35	75	(40)	-53.31%
24	16	8	Transfers from ER	40	44	(4)	-9.11%
525	488	37	Clinic Visits	1013	37	976	2637.82%
57	99	(42)	Ambulance	156	1,261	(1105)	-87.61%
PRODUCTIVITY:							
Productive FTE's							
8.99	8.46		Nursing - Acute	6.44	22.07		
38.08	38.40		Long Term Care	29.86	38.30		
63.26	52.02		Ancillary	46.56	51.78		
79.39	69.93		Service	60.56	63.79		
189.72	168.81		Total Productive	143.43	163.68		
104.27	100.74		Non-Productive FTE's	79.88	80.97		
294.01	269.54		Paid FTE's	1,318.66	244.65		
PRODUCTIVE FTE PER ADJUSTED OCCUPIED BED							
2.74	2.20			2.00	2.41		

MAYERS MEMORIAL HOSPITAL

Statement of Revenue and Expenses
Fiscal Year Ending JUNE 30, 2025
COMPARISON TO ACTUAL

2024		2023		Variance	
AUGUST		AUGUST			
Month Actual		Month Actual			
					Patient Revenue
823,156		1,031,063		(207,907)	Acute Revenue
1,339,094		1,383,805		(44,710)	Revenue - SNF Inpatient
2,690		0		2,690	Revenue - Hospice Inpatient
2,862,200		2,526,369		335,831	Outpatient Revenue
5,026,424		4,941,237		85,187	Patient Revenue
(1,008,829)		(565,994)		(442,835)	Contractuals- Care/cal
(343,907)		(246,297)		(97,610)	Contractuals- PPO
(21,421)		0		(21,421)	Charity and Write-Offs
(27,082)		(50,659)		23,577	Admin Adjustments and Employee Discounts
(341,622)		(172,620)		(169,002)	Provision for Bad Debt
(1,742,861)		(1,035,571)		(707,290)	Total Deductions
181,968		27,986		153,982	Other Operating Revenues
3,465,531		3,933,653		(468,122)	Net Revenue
2,185,161		2,027,077		158,083	Salaries & Wages
227,710		367,299		(139,589)	Employee Benefits
377,598		457,291		(79,693)	Supplies
161,050		206,146		(45,096)	Professional Fees
12,253		86,646		(74,393)	Other Purchased Service Nurse Travel Acute
296,737		464,014		(167,277)	Other Purchased Service Nurse Travel SNF
101,096		53,320		47,775	Other Purchased Service Travel Ancillary
175,674		188,096		(12,422)	Other Purchased Service
29,401		58,616		(29,214)	Repairs & Maintenance
129,616		96,580		33,036	Utilities
46,153		27,578		18,575	Insurance Other
74,991		127,776		(52,785)	Other Expenses
0		0		0	USDA Interest Expense
11,239		5,578		5,661	Interest Expense
155,682		156,405		(723)	Depreciation Expense
8,587		5,227		3,360	Rental/Lease
3,992,947		4,327,649		(334,701)	Total Operating Expenses
(527,416)		(393,995)		(133,420)	Income From Operations
356,824		486,308		(129,484)	Non-Operating Revenue
111,492		38,921		72,571	Interest Income
291,895		290,448		1,447	Non-Operating Expenses
176,421		234,781		(58,360)	Total Non-Operating
(350,995)		(159,214)		(191,780)	Net Income

MAYERS MEMORIAL HOSPITAL

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Balance Sheet

	AUGUST 2024
CURRENT ASSET	
Cash - General, Payroll, & Petty Cash	30,573,275
Reserve Cash (Unrestricted)	1,852,337
Restricted Cash	2,887,664
Cash	<u>35,313,275</u>
Patient Accounts Receivable	15,563,729
Patient Allowances	(8,124,647)
Net Patient Accounts Receivable	<u>7,439,082</u>
Accounts Receivable	7,439,082
Shasta County Tax Receivables	(49,922)
Inventories	642,605
Other Accounts Receivable	3,595
Prepaid Expenses	282,943
Medicare/Medi-Cal Settlements	4,303,637
Total Current Assets	<u>47,935,216</u>
 PROPERTY, PLANT, AND EQUIPMENT	
Land and Building Improvements	3,969,852
Building and Fixed Equipment	39,457,490
Equipment	16,113,899
Subscription Based Assets	221,719
Construction in Progress	1,845,830
Accumulated Depreciation	(28,981,656)
Accumulated Amortization	(18,365)
Total Property, Plant & Equipment	<u>32,608,770</u>
 Total Assets	<u><u>80,543,986</u></u>
 Accounts Payable	(260,758)
Payroll and Related Liabilities	1,519,641
Audit Fees Payable	0
Grant Liabilities	0
Lease - Current Liability	0
Current Subscription Liability	35,092
Accrued Interest	196,965
HQAF 7 Payable	557,143
HQAF 8 Payable	0
Rate Range Payable	2,349,570
Notes & Loans Payable	(5,586)
Current Portion of Medicare/Medi-Cal Settlement	(7,082)
TOTAL CURRENT LIABILITIES	<u>4,384,985</u>
 LONG TERM DEBT	
GO Bond	1,896,054
Leases	(13,631)
PPP Loan	0
Notes & Loans Payable/CHFFA	1,258,158
GO Bond Series B & Refunding	20,061,000
Capital Leases & Settlement Payments	21,305,527
Long Term Subscription Liability	55,554
TOTAL LONG TERM DEBT	<u>23,257,134</u>
 FUND BALANCE	
Restricted Fund Balance	19,587
Fund Balance - Hospital	<u>52,982,190</u>
TOTAL FUND BALANCE	<u>53,001,777</u>
 Liabilities and Fund Balance	80,643,896
 Current Ratio	10.93

MAYERS MEMORIAL HOSPITAL
SUMMARY OF SERVICES - DEPOSITS - REFUNDS
 - Fiscal Year 2025

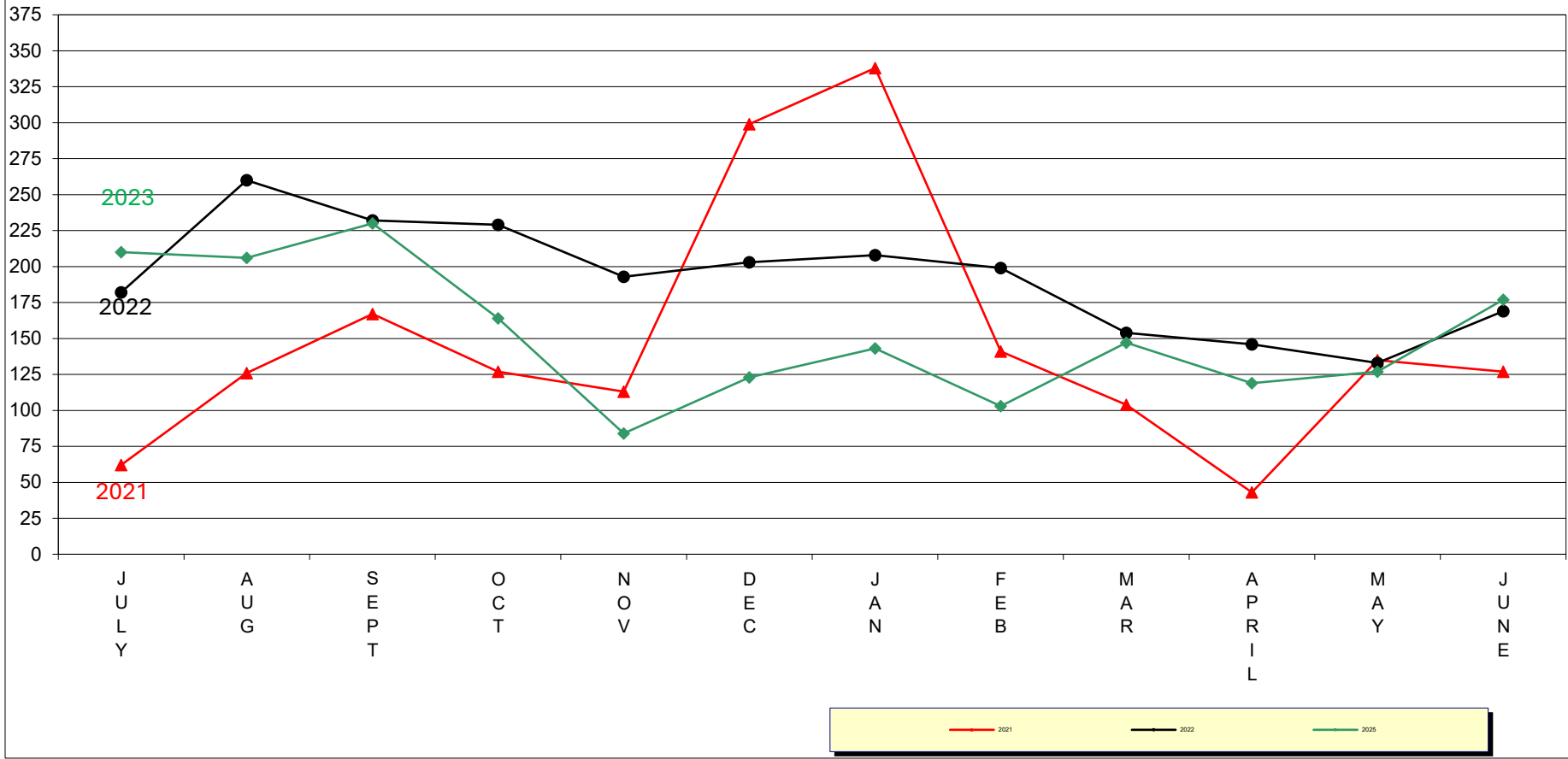
DATE:	REVENUE / SERVICES	AVERAGE DAILY REVENUE	TOTAL DEPOSITS	MISC. PAYMENTS	MISC. PMTS PT RELATED	PATIENT PAYMENTS	ADJUSTMENT S & WRITE-OFFS	REFUNDS
July 31, 2024	5,437,078.00	175,389.61	4,811,534.43	559,236.81	18,182.00	4,252,297.62	2,064,832.77	6,824.28
August 31, 2024	5,125,173.24	165,328.17	3,963,266.08	336,658.70	-	3,626,607.38	2,443,375.31	5,894.23
September 30, 2024								
October 31, 2024								
November 30, 2024								
December 31, 2024								
January 30, 2025								
February 28, 2025								
March 31, 2025								
April 30, 2025								
May 31, 2025								
June 30, 2025								
YTD TOTAL	10,562,251.24	170,358.89	8,774,800.51	895,895.51	18,182.00	7,878,905.00	4,508,208.08	12,718.51

ACCOUNTS RECEIVABLE AGING					PAYOR MIX - YTD % OF REVENUE				
	August	August	July	June		August	July	June	3 MONTH
	<u>\$ OUTSTANDING</u>	<u>DAYS OUT</u>	<u>DAYS OUT</u>	<u>DAYS OUT</u>					<u>AVERAGE</u>
MEDICARE	6,325,908.97	81.92	85.27	86.18	MEDICARE	40.52%	52.97%	38.08%	43.86%
MEDI - CAL	4,951,534.37	66.58	86.67	83.92	MEDI - CAL	37.93%	20.01%	40.97%	32.97%
THIRD PARTY	2,513,920.52	93.69	92.27	94.74	THIRD PARTY	19.19%	24.02%	16.41%	19.87%
PRIVATE	1,110,368.74				PRIVATE	2.36%	2.99%	4.55%	3.30%
LTC ONLY (INCLUDE)	2,404,165.86	58.92	80.13	79.67					
OVERALL	14,901,732.60	86.78	91.29	90.23					

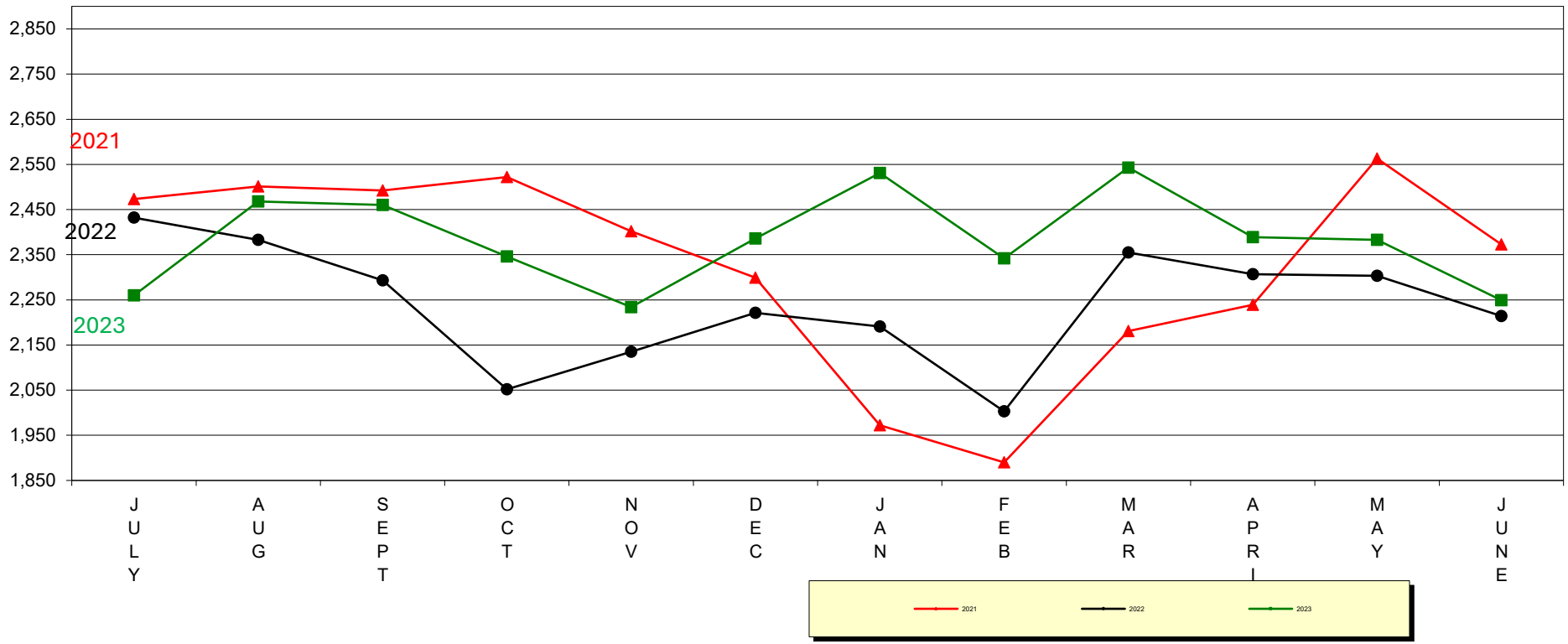
**MAYERS MEMORIAL HOSPITAL
NON-OPERATING REVENUE AND EXPENSE
RETAIL PHARMACY**

2024		2023		Variance		2024		2023		Variance	Increase Decrease %
AUGUST	AUGUST	AUGUST	AUGUST			AUGUST	AUGUST	AUGUST	AUGUST		
Month Actual	Month Actual	Month Actual	Month Actual			YTD Actual	YTD Actual	YTD Actual	YTD Actual		
Retail Pharmacy Revenue											
0	1,471	(1,471)	Other	0	2,672	2,672	100.00%				
45,178	38,944	6,233	Private	93,319	71,414	(21,905)	-30.67%				
0	0	0	Retail Pharmacy Revenue	0	0	0	0.00%				
197,387	294,951	(97,564)	Third Party	382,420	554,631	172,211	31.05%				
(41)	1,423	(1,464)	Other	(122)	2,580	2,701	68.15%				
243,739	336,742	(93,003)	Non-Operating Revenue	475,617	631,296	155,679	23.98%				
Non-Operating Expenses											
25,909	13,023	12,886	Salaries & Wages	37,830	49,526	11,696	23.62%				
1,752	2,152	(400)	Employee Benefits	2,568	5,144	2,576	50.07%				
207,804	244,188	(241,551)	Supplies	382,508	457,233	74,725	23.00%				
39,131	0	39,131	Ancillary Travelers	65,834	0	(65,834)	0.00%				
0	0	0	Non-Operating Employee Travel Expenses	0	0	0	0.00%				
1,770	26,321	(24,552)	Other Purchased Services	2,145	40,103	37,958	94.65%				
975	(599)	1,574	Utilities	1,970	0	(1,970)	0.00%				
0	(46)	46	Repairs	0	0	0	0.00%				
14,547	1,879	12,668	Other	15,016	6,351	(8,665)	-136.43%				
2,856	2,807	(49)	Depreciation	5,610	5,613	(3)	1.00%				
8	0	8	Rent - Lease	16	8	(8)	-100.00%				
294,751	289,725	(200,240)	Total Non-Operating Expense	513,497	563,979	50,475	10.00%				
(51,012)	47,017	107,237	Net Income (Loss)	(37,880)	67,317	29,437	56.00%				

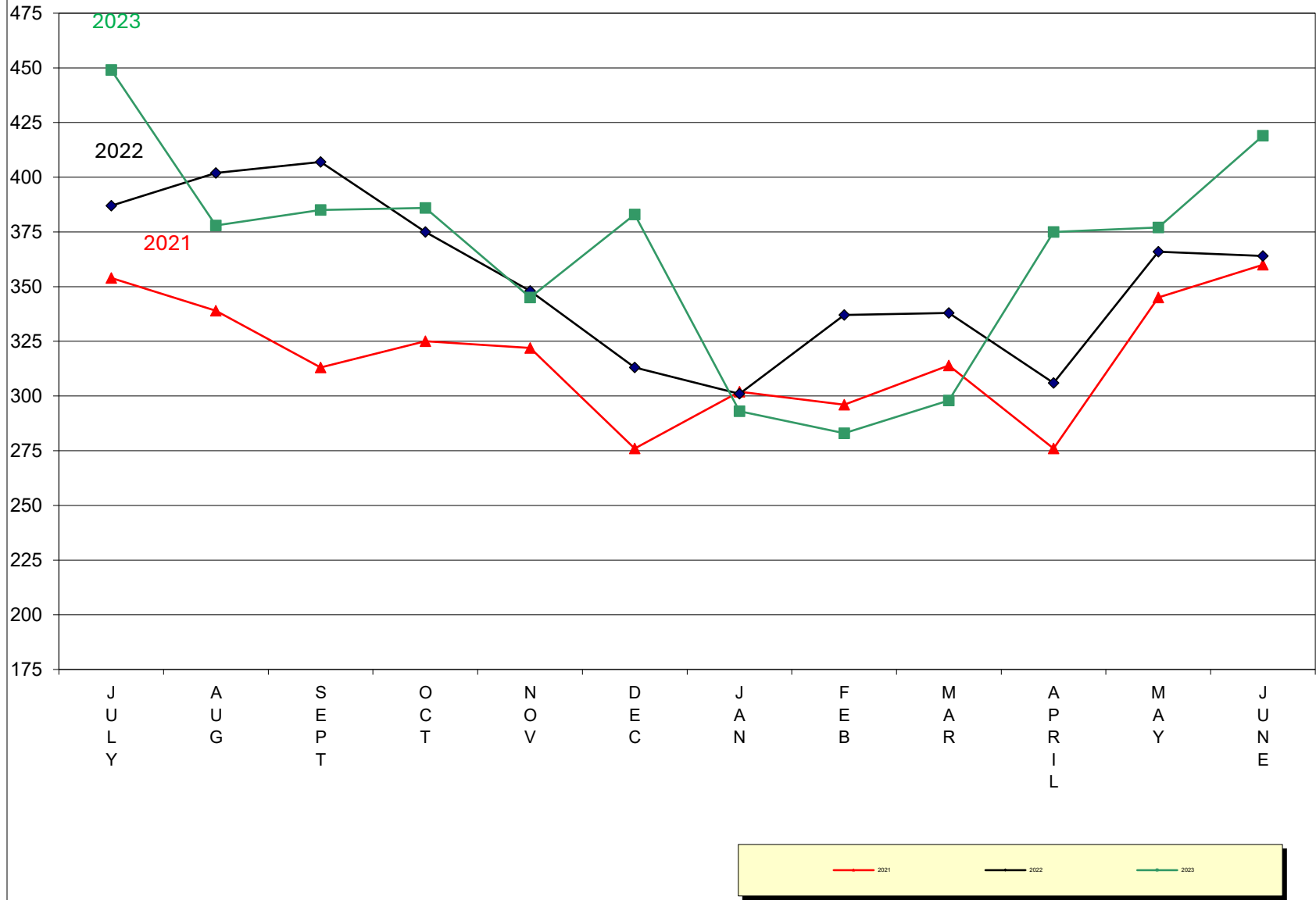
ACUTE / SWING PATIENT DAYS



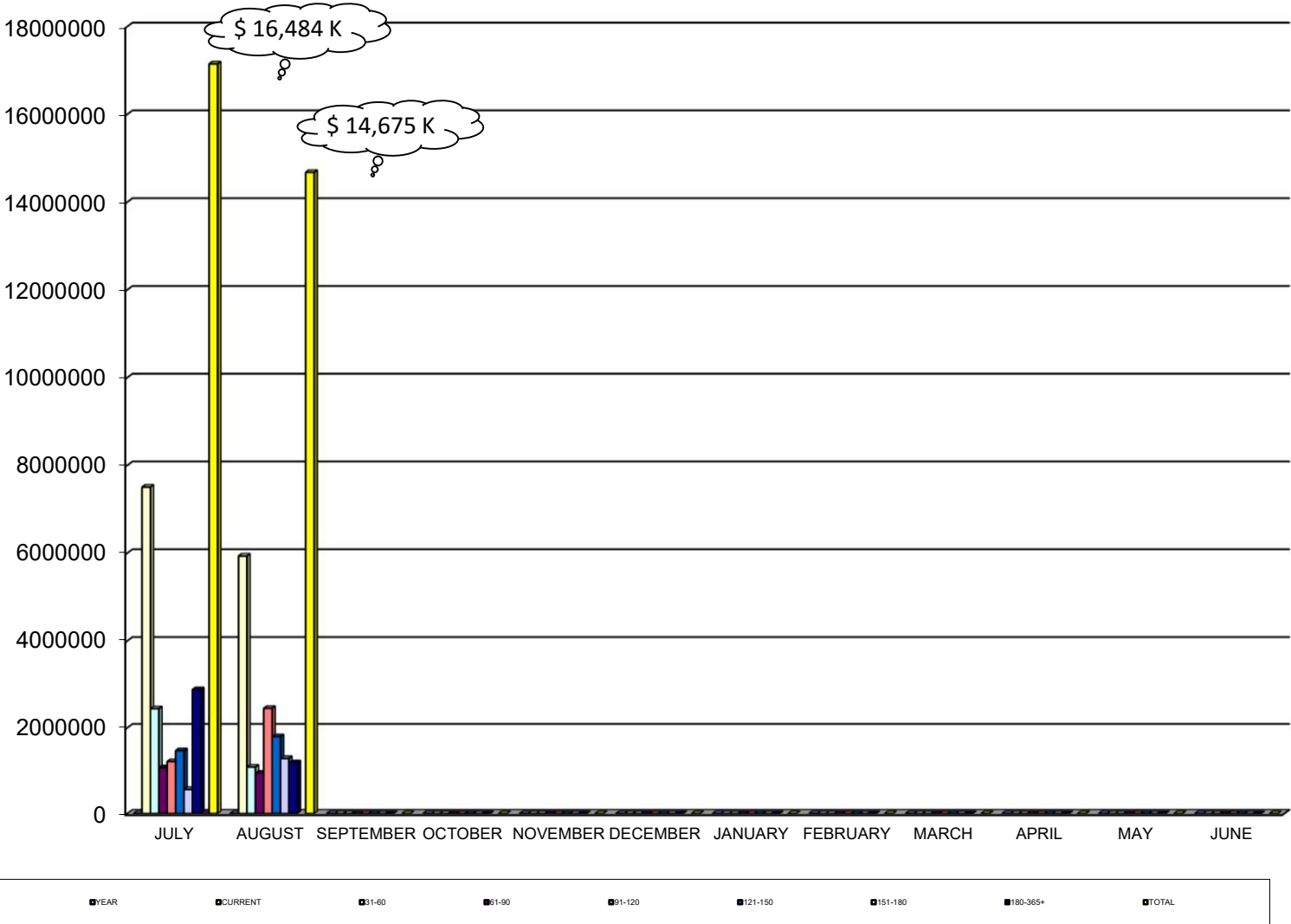
SNF PATIENT DAYS



EMERGENCY



ACCOUNTS RECEIVABLE



ACCOUNTS RECEIVABLE BY SYSTEM								
SYSTEM	CURRENT	31-60	61-90	91-120	121-150	151-180	180-365+	TOTAL
PARAGON	2,227,022.45	50,030.00	40,232.00	144,575.00	(1,692.50)	(471.00)	316,216.34	2,775,912.29
CERNER	3,702,240.83	1,033,010.48	902,916.98	2,308,057.32	1,792,861.22	1,284,942.69	861,539.12	11,885,568.64
EPIC	4,814.91	-	33.76	-	-	-	8,894.59	13,743.26
MATRIXCARE	105,806.19	97,194.31	10,948.77	2,847.12	20,691.42	-	2,763.86	240,251.67
TOTAL	6,039,884.38	1,180,234.79	954,131.51	2,455,479.44	1,811,860.14	1,284,471.69	1,189,413.91	14,915,475.86

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE: 340B Covered Entity Eligibility	POLICY # 340B009
DEPARTMENT/SCOPE: 340B Program	Page 1 of 1
REVISION DATE: 07/23/2024	EFFECTIVE DATE: 07/01/2022
AUDIENCE: Retail Pharmacy Staff	APPROVAL DATE:
OWNER: K. Shultz	APPROVER: K. Earnest

DEFINITIONS:

Covered outpatient drug: Defined in Section 1927(k) of the Social Security Act

(https://www.ssa.gov/OP_Home/ssact/title19/1927.htm). It is summarized as:

An FDA-approved prescription drug, an over the counter (OTC) drug that is written on a prescription, a biological product that can be dispensed only by a prescription (other than a vaccine), or FDA-approved insulin.

POLICY:

Mayers Memorial Hospital District must meet the requirements of 42 USC §256b(a)(4)(N,O) to be eligible for enrollment in, and the purchase of drugs through, the 340B Program.

PROCEDURE:

1. Mayers Memorial Hospital District's basis for 340B eligibility is determined by the following:
 - Is a public or private nonprofit corporation that is formally granted governmental powers by a unit of state or local government.**
2. Mayers Memorial Hospital District defines covered outpatient drugs based on section 1927(k) of the Social Security Act.
 - a. Mayers Memorial Hospital District opts out of 340B for Purchasing Orphan Drugs
3. Mayers Memorial Hospital District has identified locations where it dispenses or prescribes 340B drugs:
 - a. Within off-site outpatient locations that are fully integrated into the hospital, reimbursable on the most recently filed Medicare cost report, and registered on 340B OPAIS.
 - b. Entity-owned and -operated outpatient pharmacy.
4. Documentation of eligibility from previously filed Medicare cost reports should be accessible and maintained as auditable records.
5. Mayers Memorial Hospital District annually recertifies Mayers Memorial Hospital Districts information on 340B OPAIS.

SPECIAL CONSIDERATIONS: [Refer to Mayers Memorial Hospital District's Policy and Procedure "340B Program Enrollment, Recertification, and Change Request"]

COMMITTEE APPROVALS:

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE: 340B Drug Discount Program And Compliance	POLICY # 340B002
DEPARTMENT/SCOPE: 340B Program	Page 1 of 9
REVISION DATE: 07/23/2024	EFFECTIVE DATE: 07/01/2024
AUDIENCE: Retail Pharmacy Staff	APPROVAL DATE:
OWNER: K. Shultz	APPROVER: K. Earnest

DEFINITIONS:

Patient: For all intents and purposes, the word “patient(s)” refers to all customers receiving health care services in our facilities, including inpatients, outpatients, residents, and clients.

340B Drug Pricing Program: Section 340B of the Public Health Service Act (1992) requires drug manufacturers participating in the Medicaid Drug Rebate Program to sign an agreement with the Secretary of Health and Human Services. This agreement limits the price manufacturers may charge certain covered entities for covered outpatient drugs. The resulting program is called the 340B program.

340B Covered Outpatient Drug: A covered outpatient drug, defined in 1927(k) of the Social Security Act (SSA), is summarized as:

An FDA-approved prescription drug, an over the counter (OTC) drug that is written on a prescription, a biological product that can be dispensed only by a prescription (other than a vaccine), or FDA-approved insulin.

Outpatient status: A hospital outpatient is a person who has not been admitted by the hospital as an inpatient but is registered on the hospital records as an outpatient and receives services from the hospital, e.g., emergency department services, outpatient infusion, outpatient surgery.

Inpatient status: A hospital inpatient is a person who is formally admitted to the hospital with a doctor’s order.

POLICY: To provide a guidance to maintain compliance with the 340B program.

PROCEDURE:

As a participant in the 340B Drug Pricing Program, Mayers Memorial Hospital is a covered entity and acts accordingly:

- Mayers Memorial Hospital uses any savings generated from 340B in accordance with 340B Program intent.
 - Mayers Memorial Hospital meets all 340B Program eligibility requirements.
 - Mayers Memorial Hospital 340B Database covered entity listing is complete, accurate, and correct.
 - Mayers Memorial Hospital
 - Is a non-profit hospital which has a contract with a State or local government to provide health care services to low-income individuals who are not entitled to benefits under title XVIII of the Social Security Act or eligible for assistance under the State plan under this title.

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE:	340B Drug Discount Program And Compliance	POLICY # 340B002
DEPARTMENT/SCOPE:	340B Program	Page 2 of 9
REVISION DATE:	07/23/2024	EFFECTIVE DATE: 07/01/2024
AUDIENCE:	Retail Pharmacy Staff	APPROVAL DATE:
OWNER:	K. Shultz	APPROVER: K. Earnest

- Mayers Memorial Hospital opts out of 340B for purchasing orphan drugs. (See Policy and Procedure: 340B Orphan Drug.)
- Mayers Memorial Hospital uses 340B only in outpatient departments that are fully integrated into the hospital and reimbursable on the most recently filed cost report.
- Mayers Memorial Hospital complies with all requirements and restrictions of Section 340B of the Public Health Service Act and any accompanying regulations or guidelines including, but not limited to, the prohibition against duplicate discounts/rebates under Medicaid, and the prohibition against transferring drugs purchased under 340B to anyone other than a patient of the entity. [REFERENCE: [Public Law 102-585, Section 602, 340B Guidelines, 340B Policy Releases](#)]
- Mayers Memorial Hospital maintains auditable records demonstrating compliance with all 340B requirements.
 - Prescriber is on the hospital's eligible prescriber under contractual or other arrangements with the entity (i.e., is credentialed at Mayers), and the patient receives a health care service from this prescriber such that the responsibility for care remains with the entity.
 - 340B drugs are used in outpatient facilities that appear as reimbursable on the most recently filed CMS cost report.
 - Hospital maintains records of the individual's health care.
 - Patient is an outpatient at the time medication is administered/dispensed/prescribed.
 - Mayers Memorial Hospital bills Medicaid per Medicaid reimbursement requirements (carve-in), and as Mayers Memorial Hospital has reflected its information (Medicaid Provider Number/NPI) on the OPA website/HRSA Medicaid Exclusion File
 - Mayers Memorial Hospital informs OPA immediately of any changes to its information including billing on the OPA website/HRSA Medicaid Exclusion File prior implementing the change.
 - Medicaid reimburses for 340B drugs per state policy and does not collect rebates on claims from Mayers Memorial Hospital.
- Mayers Memorial Hospital has systems/mechanisms and internal controls in place to reasonably ensure ongoing compliance with all 340B requirements.
- Mayers Memorial Hospital has an internal audit plan, and a program review is conducted annually.
- Mayers Memorial Hospital uses contract pharmacy services, and the contract pharmacy arrangement is performed in accordance with OPA requirements and guidelines including, but not limited to, that the hospital obtains sufficient information from the

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE: 340B Drug Discount Program And Compliance	POLICY # 340B002
DEPARTMENT/SCOPE: 340B Program	Page 3 of 9
REVISION DATE: 07/23/2024	EFFECTIVE DATE: 07/01/2024
AUDIENCE: Retail Pharmacy Staff	APPROVAL DATE:
OWNER: K. Shultz	APPROVER: K. Earnest

contractor to ensure compliance with applicable policy and legal requirements, and the hospital has utilized an appropriate methodology to ensure compliance.

- Signed Contract Pharmacy Services Agreement(s) complies with 12 contract pharmacy essential compliance elements per: (<http://www.hrsa.gov/opa/programrequirements/federalregisternotices/contractpharmacyservices030510.pdf>).
- Mayers Memorial Hospital acknowledges its responsibility to contact OPA as soon as reasonably possible if there is any change in 340B eligibility or material breach by the hospital of any of the foregoing policies.
- Mayers Memorial Hospital acknowledges that if there is a breach of the 340B requirements, Mayers Memorial Hospital may be liable to the manufacturer of the covered outpatient drug that is the subject of the violation, and depending upon the circumstances, may be subject to the payment of interest and/or removal from the list of eligible 340B entities.
- Mayers Memorial Hospital elects to receive information about the 340B Program from trusted sources, including, but not limited to:
 - [The Office of Pharmacy Affairs](#)
 - [The 340B Prime Vendor Program, managed by Apexus](#)
 - Any OPA contractors

RESPONSIBLE STAFF, COMPETENCY

The following Mayers Memorial Hospital Staff are engaged with 340B program compliance. Pharmacy staff members participating in the 340B Program complete initial basic training via webinar on the 340B and Prime Vendor Programs (<https://docs.340bpvp.com/apps/public/gps/gps.html>) and attend 340B University if possible.

- A. Chief Executive Officer
 - Responsible as the principal officer in charge for the compliance and administration of the program
 - Responsible for attesting to the compliance of the program in form of recertification.
- B. Chief Financial Officer
 - Responsible for above in many cases
 - Must account for savings and use of funds to provide care for the indigent under the indigent care agreement.
- C. Director of Pharmacy
 - Accountable agent for 340B compliance
 - Agent of the CEO or CFO responsible to administer the 340B program to fully implement and optimize appropriate savings and ensure current policy statements and procedures are in place to maintain program compliance.

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE: 340B Drug Discount Program And Compliance		POLICY # 340B002
DEPARTMENT/SCOPE: 340B Program		Page 4 of 9
REVISION DATE: 07/23/2024	EFFECTIVE DATE: 07/01/2024	
AUDIENCE: Retail Pharmacy Staff	APPROVAL DATE:	
OWNER: K. Shultz	APPROVER: K. Earnest	

- Must maintain knowledge of the policy changes that impact the 340B program which includes, but not limited to, HRSA/OPA rules and Medicaid changes.
 - Must coordinate constant knowledge of any change in eligibility/information.
 - Be aware of products covered by 340B and Prime Vendor Program pricing.
 - Work with the Medical Staff to use effective therapeutic classes that optimize savings with good clinical outcomes.
 - Responsible for establishing distribution accounts and maintaining those accounts, i.e., WAC account, 340B account, and GPO account.
 - Responsible for ordering all drugs from the specific accounts as specified by the process employed.
 - Accountable agent for 340B compliance
 - Day to day manager of the program
 - Responsible for maintenance and testing of tracking software.
 - Responsible for documentation of policy and procedures
 - Maintain system databases to reflect changes in the drug formulary or product specifications.
 - Manage purchasing, receiving and inventory control processes.
 - Continuously monitor product min/max levels to effectively balance product availability and cost-efficient inventory control.
 - Assure appropriate safeguards and system integrity.
 - Perform annual inventory and periodic cycle counts.
 - Assure compliance with 340B program requirements of qualified patients, drugs, providers, vendors, payers, and locations.
 - Review and refine 340B cost savings report detailing purchasing, and replacement practices, as well as dispensing patterns.
 - Monitor ordering processes, integrating most current pricing from wholesaler, analyze invoices, shipping, and inventory processes.
- D. 340B Committee (representatives from pharmacy, IT, finance, administration)
- Designs and maintains an internal audit plan of the compliance of the 340B program.
 - Design the annual plan to cover all changes in the program from the past year.
 - Responsible for communication of all changes to the Medicare Cost report regarding revenue centers of the cost report
 - Responsible for communication of all changes to Medicaid reimbursement for pharmacy services/products that impact 340B status.
 - Responsible for modeling all managed care contracts (with/without 340B)
 - Engage pharmacy in those conversations that impact reimbursement.
 - Responsible for annual physical inventory of pharmacy items

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE: 340B Drug Discount Program And Compliance		POLICY # 340B002
DEPARTMENT/SCOPE: 340B Program		Page 5 of 9
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AUDIENCE: Retail Pharmacy Staff	APPROVAL DATE:	
OWNER: K. Shultz	APPROVER: K. Earnest	

- Responsible for establishment of “inventory average” process if applicable approved by the external audit firm (Reference policy or type of process used, i.e., FIFO) as the inventory will decrease in value due to same NDCs purchased at dramatically different discounted 340B prices.

E. Informatics Analyst/Support

- Support the Pharmacy software selection of tracking software to manage the 340B program.
- Define process and access to data for compliant identification of outpatient utilization for eligible patients.
- Archive the data to be available to auditors when audited.
- Transmit eligible patient encounters and prescriber lists to contracted intermediaries.

Contract Pharmacy Standard Processes:

NOTE: Mayers has initially implemented the contract pharmacy/retail portion of 340B for eligible outpatients.

1. Mayers Memorial Hospital has contracted with Hudson Headwaters to facilitate both the design and implementation of the 340B contract pharmacy program. The entity is responsible for 340B compliance.
2. 340B eligible prescriptions may be presented to Contract Pharmacy via hard-copy, fax, or phone. Contract Pharmacies verifies patient, prescriber, indication, and eligibility via Hudson Headwaters verification system based on patient and prescriber information. Pharmacy staff will update qualified prescriber list monthly to Hudson Headwaters (more often if any prescriber changes occur) for verification purpose. The prescriber list will include prescriber name, verified Medicaid enrollment, NPI number, DEA number. Prescribers are considered eligible for prescribing 340B drug if credentialed by Mayers Memorial Hospital, or under contractual or other arrangements with Mayers Memorial Hospital, and the individual receives a health care service from this professional such that the responsibility for care remains with Mayers Memorial Hospital.
3. Contract Pharmacy Staff dispenses prescriptions to 340B eligible patients using Contract Pharmacy 340B drugs.
4. 340B orders are placed on behalf of Contract Pharmacy, based upon 340B eligible use as determined by Hudson Headwaters from the Contract Pharmacy’s wholesaler (McKesson). Orders are triggered by Hudson Headwaters and transmitted to wholesaler. Once received and accepted, a copy of the invoice will then be submitted to Mayers Memorial Hospital. Mayers Memorial Hospital pays invoice to wholesalers for all 340B drugs through 340B account.

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE: 340B Drug Discount Program And Compliance		POLICY # 340B002
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OWNER: K. Shultz	APPROVER: K. Earnest	

5. Contract Pharmacy Staff receives 340B inventory by examining the wholesaler invoice against the order, and reports inaccuracies to the wholesaler and Mayers Memorial Hospital Pharmacy Staff within 2-3 business days. Once received, the invoice will be compared to the initial order request submitted to wholesaler for accuracy, and then compared to the usage for the corresponding time and correlating pharmacy to view usage and dispensation is accurate.
6. Contract Pharmacies notifies Mayers Memorial Hospital Pharmacy if Contract Pharmacy doesn't receive 11-digit NDC replenishment order within reasonable business days of original order fulfillment request.
7. Any non-replacement 340B inventory is stored at Contract Pharmacy, and clearly marked as belonging to the 340B entity. The inventory is protected by a security system. Only pharmacy employees have access to the pharmacy.
8. (More information addressed in 340B Retail Pharmacy policy and procedure.

PROCUREMENT, INVENTORY MANAGEMENT, DISPENSING

NOTE: Mayers Memorial Hospital has not implemented the use of 340B Drugs in our outpatient areas currently. The following procedures will be followed for future expansion of the program at our entity.

340B inventory is procured and managed in outpatient settings only:

1. Pharmacy Staff places 340B orders, based upon orders by using 340B McKesson account as needed.
2. Pharmacy Staff checks in 340B inventory by examining the wholesaler invoice against the order, and reports inaccuracies to the wholesaler.
3. Pharmacy Staff reports discrepancies (excessive quantities based upon utilization or product shortages) to Director of Pharmacy.
4. Mayers Pharmacy staff maintains records of 340B related transactions in a readily retrievable and auditable format.
5. 340B inventory is stored in the designated location in the pharmacy
6. 340B Committee examines inventory reports and invoices.

Inventory**Physical Inventory Standard Processes**

OHMSC and pharmacy Staff conducts a physical inventory and inspection monthly by tracking administered doses of medication and checking 340B inventory sheet. A 3rd independent party may perform annual inventory for 340B drugs in the pharmacy.

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE:	340B Drug Discount Program And Compliance	POLICY # 340B002
DEPARTMENT/SCOPE:	340B Program	Page 7 of 9
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AUDIENCE:	Retail Pharmacy Staff	APPROVAL DATE:
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Transfer Sample Standard Processes**From non-340B to 340B**

Transfers between non-340B and 340B inventory are only in rare circumstances, and according to the following procedure:

1. Pharmacy Staff records the transaction on a borrow/loan transaction log.
2. Pharmacy Staff reconciles the process by transfer back to the separated non-340B inventory area through a purchase on the borrowing area's 340B account of the same NDC and quantity that was borrowed. Reconciliation is completed as soon as possible, preferably within 2-3 business days.

From 340B to non-340B

This organization does not transfer from 340B to non-340B or allow this. To do so would be a violation of the 340B protocols.

Dispensing 340B drug process in outpatient setting

1. Only eligible prescribers will have authority to prescribe 340B drugs for use in an outpatient department.
2. Dispensed and administered 340B drugs will be recorded and documented, including indication for use in Electronic Health Record, software correlated with an encounter.
3. Individual who dispensed 340B drugs will subtract the appropriate amount recorded the 340B drug inventory binder and write down the total amount of that particular drug left.
4. Assigned pharmacy personnel will perform 340B drug inventory weekly or as needed and inform pharmacy director when it needs to be replenished. Inventory record is kept up to date as required.
5. For medications that need to be filled with contract pharmacies, both new prescriptions and/or refill authorization will be documented including indication for use in Electronic Health Record followed 340B compliance process and readily available for internal and external audit.

MONITORING AND REPORTING

Mayers Memorial Hospital uses the process outlined in: [340B Compliance Self-Assessment: Self-Audit Process to Ensure 340B Compliance. 340B University™ is a product of Apexus | 340B Prime Vendor Program 125 East John Carpenter Freeway, Irving, Texas 75062 | 888-340-BPVP | www.340BPVP.com](#)

Additional monitoring or reporting include:

REPORTING 340B- NON-COMPLIANCE

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE: 340B Drug Discount Program And Compliance		POLICY # 340B002
DEPARTMENT/SCOPE: 340B Program		Page 8 of 9
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OWNER: K. Shultz	APPROVER: K. Earnest	

All non-compliance will be addressed with the following as applicable: report to OPA/manufacture, records kept, documentation, and plan for corrective action.

340B COMPLIANCE REVIEW

The 340B Compliance Review process, pharmacy, administration, and business office will provide for a comprehensive annual review of 340B compliance at Mayers Memorial Hospital primarily through the 340B Committee. Staff is responsible and accountable for overseeing this review process, as well as taking corrective actions based upon findings. Annual review of Mayers Memorial Hospital's 340B program and its integrity may be made through a third party to avoid any possible conflicts of interest.

REFERENCES:

[Public Law 102-585, Section 602, 340B Guidelines, 340B Policy Releases](#)

<http://www.hrsa.gov/opa/programrequirements/federalregisternotices/contractpharmacyservices030510.pdf>

[340B Compliance Self-Assessment: Self-Audit Process to Ensure 340B Compliance. 340B University™ is a product of Apexus | 340B Prime Vendor Program 125 East John Carpenter Freeway, Irving, Texas 75062 | 888-340-BPVP | www.340BPVP.com](#)

<http://www.hrsa.gov/opa/programrequirements/federalregisternotices/contractpharmacyservices030510.pdf>).

[Public Law 102-585, Section 602, 340B Guidelines, 340B Policy Releases\]](#)

340B Prime Vendor Program

340B University

COMMITTEE APPROVALS:

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE: 340B Drug Discount Program And Compliance		POLICY # 340B002
DEPARTMENT/SCOPE: 340B Program		Page 9 of 9
REVISION DATE: 07/23/2024	EFFECTIVE DATE: 07/01/2024	
AUDIENCE: Retail Pharmacy Staff	APPROVAL DATE:	
OWNER: K. Shultz	APPROVER: K. Earnest	

Attachment A

Internal Audit Plan

Activity	Frequency	Entity Eligibility	No Diversion	No Duplicate Discount	Orphan Drug
340B Self-Audit Reports	Monthly				
Update of prescriber and patient eligibility files with Hudson Headwaters	Monthly				
Review of quarterly contract price load	Monthly				
Review of all 340B database information, indigent care agreement with state/local government, Medicaid and Orphan Drug decisions, and Medicare Cost Report (ex. Worksheet E, Part A and Worksheet A), prior to recertification Mayers Memorial Hospital Staff responsible: 340B Program Manager, Director of Pharmacy, CEO	Annual				

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE: 340B EDUCATION AND COMPETENCY	POLICY # 340B013
DEPARTMENT/SCOPE: 340B Program	Page 1 of 1
REVISION DATE: 07/23/2024	EFFECTIVE DATE: 07/01/2022
AUDIENCE: Retail Pharmacy Staff	APPROVAL DATE:
OWNER: K. Shultz	APPROVER: K. Earnest

POLICY:

Program integrity and compliance are the responsibility of all 340B key stakeholders. Ongoing education and training are needed to ensure that these 340B key stakeholders have the knowledge to guarantee compliant 340B operations.

PROCEDURE:

1. Mayers Memorial Hospital District determines the knowledge and educational requirements for each 340B Program role (Refer to Mayers Memorial Hospital Districts Policy and Procedure “340B Program Roles and Responsibilities”)
2. 340B key stakeholders complete initial basic training upon hire.
 - a. Watch “[Introduction to the 340B Drug Pricing Program](#)”.
 - b. Complete OnDemand modules on the PVP website.
 - c. Attend 340B University.
3. 340B key stakeholders complete additional training as identified in #1 above.
 - a. 340B Coordinator has completed the Apexus Advanced 340B Operations Certificate program and has obtained the Certificate.
4. Mayers Memorial Hospital District provides educational updates and training, as needed (e.g. 340B policy changes, updates in HRSA guidance, PVP website updates)
5. Mayers Memorial Hospital District conducts annual verification of 340B Program competency.
6. Training and education records are maintained per organizational policy and available for review.

COMMITTEE APPROVALS:

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE:	340B ENROLLMENT RECERTIFICATION, AND CHANGE REQUESTS	POLICY # 340B010
DEPARTMENT/SCOPE:	340B Program	Page 1 of 3
REVISION DATE:	07/23/2024	EFFECTIVE DATE: 07/01/2022
AUDIENCE:	Retail Pharmacy Staff	APPROVAL DATE:
OWNER:	K. Shultz	APPROVER: K. Earnest

POLICY:

As an eligible hospital, Mayers Memorial Hospital must maintain the accuracy of 340B OPAIS and be actively registered to participate in the 340B Program.

PROCEDURE:**Enrollment**

1. Mayers Memorial Hospital District is eligible to participate in the 340B Program.
2. Mayers Memorial Hospital District identifies upcoming registration dates and deadlines.
3. Mayers Memorial Hospital District identifies Mayers Memorial Hospital Districts authorizing official and primary contact.
4. Mayers Memorial Hospital District has available the required documents:
 - a. Medicare Cost Report:
 - i. Worksheet S, S-2, S-3
 - ii. Worksheet E, part A (if applicable)
 - iii. For outpatient facilities:
 - a. Worksheet C
 - b. Worksheet A
 - c. Working trial balance
 - b. Certification of ownership status
5. Mayers Memorial Hospital District completes registration on 340B OPAIS (<https://340bopais.hrsa.gov/>).

Recertification Procedure

1. Mayers Memorial Hospital District annually recertifies Mayers Memorial Hospital Districts information on 340B OPAIS.
 - a. Chief Executive Officer or Chief Finance Officer completes the annual recertification by following the directions in the recertification email sent from HRSA to Chief Executive Officer prior to the stated deadline.
 - b. Mayers Memorial Hospital District submits specific recertification questions to 340b.recertification@hrsa.gov

Enrollment Procedure: New Outpatient Facilities

1. Mayers Memorial Hospital District determines that a new outpatient service or facility is eligible to participate in the 340B Program.
 - a. The criteria used include that the outpatient service is fully integrated into the hospital, appears as a reimbursable service or clinic on the most recently filed

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OWNER:	K. Shultz	APPROVER: K. Earnest

Medicare cost report, has outpatient drug use, and has patients who meet the 340B patient definition.

2. Chief Finance Officer completes the online registration process during the registration window.
 - a. Mayers Memorial Hospital will submit any updated Medicare cost report information, as required by HRSA.

Enrollment Procedure: New Contract Pharmacy(ies)

1. Mayers Memorial Hospital has a signed contract pharmacy services agreement between the entity and contract pharmacy prior to registration on 340B OPAIS.
<https://www.gpo.gov/fdsys/pkg/FR-2010-03-05/pdf/2010-4755.pdf>
 - a. Mayers Memorial Hospital District’s legal counsel has reviewed the contract and verified that all federal, state, and local requirements have been met.
2. Mayers Memorial Hospital District has contract pharmacy oversight and monitoring policy and procedure developed, approved, and implemented.
3. Mayers Memorial Hospital District’s authorizing official or designee completes the online registration during one of four registration windows.
 - a. Within 15 days from the date of the online registration, the authorizing official certifies online that the contract pharmacy registration request was completed.
4. Mayers Memorial Hospital District begins using the contract pharmacy services arrangement only on or after the effective date shown on 340B OPAIS.

Procedure for Changes to Mayers Memorial Hospital District’s Information in 340B OPAIS

1. Mayers Memorial Hospital District will notify HRSA immediately of any changes to Mayers Memorial Hospital District’s information on 340B OPAIS.
2. Mayers Memorial Hospital District’s authorizing official will complete the online change request as soon as a change in eligibility is identified.

SPECIAL CONSIDERATIONS:

[Refer to Mayers Memorial Hospital District’s Policy and Procedure “Covered Entity Eligibility”].

[Refer to Mayers Memorial Hospital District’s Policy and Procedure “Contract Pharmacy Oversight Management”].

PVP Education Tool resource: Understanding the Medicare Cost Report

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REFERENCES:

340B Drug Pricing Program: Hospital Registration Instructions

(<https://www.hrsa.gov/sites/default/files/hrsa/opa/hospital-registration-instruction-details.pdf>)

Registration dates:

- January 1–January 15 for an effective start date of April 1
- April 1–April 15 for an effective start date of July 1
- July 1–July 15 for an effective start date of October 1
- October 1–October 15 for an effective start date of January 1

340B Contract Pharmacy Guidelines (<https://www.gpo.gov/fdsys/pkg/FR-2010-03-05/pdf/2010-4755.pdf>).

COMMITTEE APPROVALS:

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SUBJECT/TITLE: 340B Referral Program	POLICY #340B001
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AUDIENCE: Retail Pharmacy Staff	APPROVAL DATE:
OWNER: K. Shultz	APPROVER: K. Earnest

POLICY: Covered entities must be able to track and account for all 340B drugs to ensure the prevention of diversion and to ensure the proper procurement and inventory management of 340B drugs.

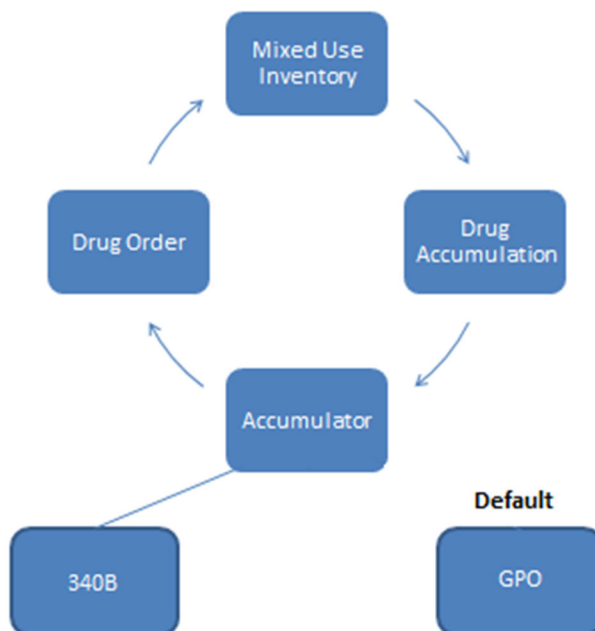
340B inventory is procured and managed in the following settings:

- Contract pharmacy

Mayers Memorial Hospital District uses Virtual mixed-use replenishment inventory (i.e., neutral) Pharmacists and technicians dispense 340B drugs only to patients meeting all the criteria in [Refer to Mayers Memorial Hospital Policy and Procedure “340B Patient Eligibility/Definition” Policy# 340B006]

PROCEDURE:

Mixed-use inventory replenishment system (340B/non-340B) is maintained at Contract Pharmacy(ies).



1. Identifies all accounts used for purchasing drugs in each practice setting (parent site, off-site locations, in-house retail pharmacies, contract pharmacies), for 340B and non-340B/GPO.
2. Purchases mixed-use inventory (according to eligible accumulations).
3. Administers/dispenses drugs to patients.

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- Split-billing software accumulates drug utilization based on patient status, patient location, and provider information. This accumulation occurs at the 11-digit NDC level and a full package size is accumulated before replenishment.

<u>340B</u>	<u>Non-340B/GPO</u>
<p>Patients met 340B patient definition and received services on an outpatient basis in a 340B registered/participating hospital clinic.</p>	<ul style="list-style-type: none"> • GPO/inpatient class of trade: Inpatient status determined by hospital at the date/time of administration. • GPO/outpatient class of trade: Offsite/unregistered outpatient clinics • Products that do not have an 11-digit NDC match on the 340B contract but are otherwise eligible for 340B purchase. • Products that currently are not available (e.g., drug shortages) such that an 11-digit NDC match is not available. • Non-340B eligible outpatients, e.g.: <ul style="list-style-type: none"> ○ Administration or dispensing occurred at a clinic within four walls of parent, but not 340B eligible. ○ Non-patient of the CE seen at an entity-owned retail pharmacy open to the public. ○ Medicaid carve-out outpatients. • Lost charges or wasted product

- Replenishment drug order(s) are placed according to eligible accumulations.

Key points to address appropriate access to wholesaler accounts and split-billing software include the following:

- The names and types of pharmacy ordering accounts.
- The process the entity uses for determining how accumulations are identified as 340B eligible.
- The eligibility filters process for mapping, maintenance, and updating (location eligibility, health care record, patient status; provider eligibility, Medicaid carve-in/-out status).
- Basis for replenishment order (e.g., patient administration data to the 11-digit NDC); reporting elements (frequency).
- Plan for accurate data capture (e.g., time stamps, conversions from “pharmacy system units” to “split-billing units”).
- NDC–charge description/drug master (CDM) crosswalk updates.
- Hospital EHR–split-billing system interface; frequency of patient eligibility and order data updates; manual creation of purchase orders directly from manufacturer/incorporation of purchase data to the purchase history; PAR levels.

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- Procedures for accumulation when there are lost charges, procedures for decrementing accumulation for manufacturer and wholesaler returns and unused returns to stock, 340B priced product is not available, or waste.
 - Explanation of charge on dispensing vs. charge on administration and NDC match.
1. Mayers Memorial Hospital District identifies all pharmacy purchasing accounts.
 2. Mayers Memorial Hospital District identifies which accounts are used for each 340B-eligible location to purchase 340B drugs.
 3. Mayers Memorial Hospital District places 340B and non-340B/GPO drug orders based on orders created from the split-billing system.
 - a. 340B drugs are ordered at an 11-digit NDC level.
 - b. Appropriate processes are in place to ensure proper ordering, tracking, and adjusting of accumulators for controlled substances.
 4. Contract Pharmacy receives shipment from McKesson and identifies the 340B medications to the invoices then stickers medications to identify which medications have come from the 340B entity.
 5. Mayers Memorial Hospital District and contract Pharmacy verifies quantity received with quantity ordered.
 - a. Identifies inaccuracies.
 - b. Resolves inaccuracies.
 - c. Documents resolution of inaccuracies.
 6. Mayers Memorial Hospital District documents manual manipulations to the 340B split-billing accumulator, including reason for manual manipulation.
 7. Mayers Memorial Hospital District reconciles purchasing records with dispensing records Weekly to ensure that covered outpatient drugs purchased through the 340B Program are used only for 340B eligible patients or replenished for an eligible 340B patient.
 - a. Mayers Memorial Hospital District resolves inventory discrepancies when 340B drugs are dispensed to ineligible patients by documenting and contacting the vendor to return the medication that was not eligible and received out of compliance.
 8. Mayers Memorial Hospital District staff reports significant discrepancies (excessive quantities based on utilization or product shortages) to Mayers Memorial Hospital District's management as soon as possible but no later than 1 business day.
 9. Mayers Memorial Hospital District maintains records of 340B-related transactions for a period of 7 years in a readily retrievable and auditable format located in the Hudson Headwaters system.
 - a. These reports are reviewed by the 340B Coordinator bi-weekly as part of its 340B oversight and compliance program.

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REFERENCES:

340B PVP Education Tool: [Controlled Substance Ordering System \(CSOS\) Compliance Considerations](#) may be used to articulate compliance solutions in this area.

COMMITTEE APPROVALS:

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SUBJECT/TITLE:	340B Noncompliance/ Material Breach	POLICY # 340B012
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AUDIENCE:	Retail Pharmacy Staff	APPROVAL DATE:
OWNER:	K. Shultz	APPROVER: K. Earnest

DEFINITIONS:

Materiality: A convention within auditing/accounting pertaining to the importance/significance of an amount, transaction, and/or discrepancy.

Threshold: The point that must be exceeded, as defined by the covered entity, resulting in a material breach. Examples of thresholds include:

- a. X% of total 340B purchases or impact to any one manufacturer.
- b. \$X (fixed amount), based on total outpatient or 340B spend, or impact to any one manufacturer.
- c. X% of total 340B inventory (units).
- d. X% of audit sample.
- e. X% of prescription volume/prescription sample.

POLICY:

Covered entities are responsible for contacting HRSA as soon as reasonably possible if there is any material breach by the covered entity or any instance of noncompliance with any of the 340B Program requirements. To define Mayers Memorial Hospital District's material breach of 340B compliance and self-disclosure process.

PROCEDURE:

1. Mayers Memorial Hospital District established threshold of what constitutes a material breach of 340B Program compliance.
 - a. Mayers Memorial Hospital District ensures that identification of any threshold variations occurs among all its 340B settings, including contract pharmacies.
2. Mayers Memorial Hospital District assesses materiality monthly.
 - a. Mayers Memorial Hospital District maintains records of materiality assessments.
3. Mayers Memorial Hospital District reports identified material breach immediately to HRSA and applicable manufacturers and understands that repayment of the covered outpatient drug that was in violation may be required and/or removal from the 340B program.
 - a. Maintain records of material breach violations, including manufacturer resolution correspondence, as determined by organization policy.

REFERENCES:

340B PVP Education Tool: [Establishing Material Breach Threshold](#)

340B PVP Education Tool: [Self-Disclosure to HRSA and Manufacturer Template](#)

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SUBJECT/TITLE: 340B Patient Eligibility/Definition		POLICY # 340B006
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AUDIENCE: Retail Pharmacy Staff	APPROVAL DATE:	
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DEFINITIONS:

Administer: Give a medication to an individual, typically in a hospital or a clinic, based on a health care provider’s order.

Dispense: Provide a medication, typically in a hospital or a clinic, based on a health care provider’s order to be administered to a patient.

Inpatient status: Mayers Memorial Hospital District defines inpatient status as a person who is formally admitted into the hospital with a doctor's order.

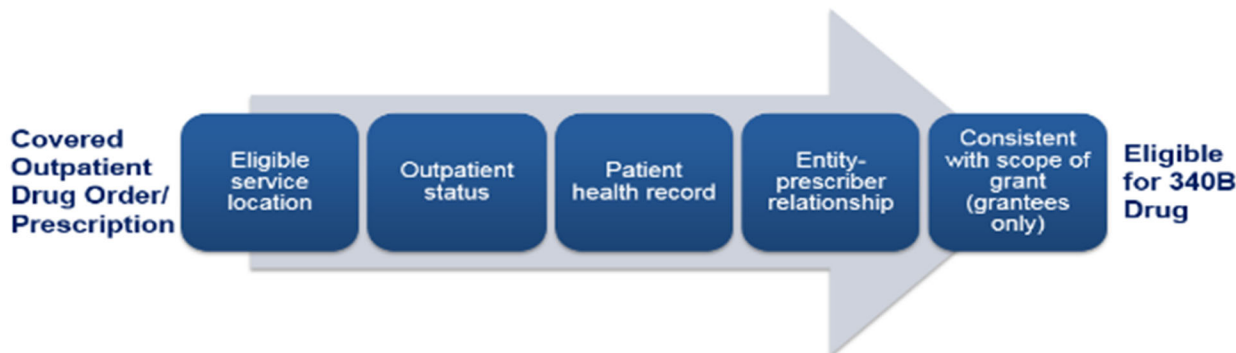
Outpatient status: Mayers Memorial Hospital District defines Outpatient status as a person who has not been admitted by the hospital as an inpatient but is registered on the hospital records as an outpatient and receives services from the hospital in outpatient settings.

Prescribe: Provide a prescription for a medication to an individual to be filled at an outpatient pharmacy.

POLICY:

According to the Final Notice Regarding Section 602 of the Veterans Health Care Act of 1992 Patient and Entity Eligibility, 340B drugs are to be provided only to individuals eligible to receive 340B drugs from covered entities.

PROCEDURE:



1. Mayers Memorial Hospital District validates site eligibility. [Refer to Mayers Memorial Hospital District’s Policy and Procedure “Covered Entity Eligibility”]

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2. Mayers Memorial Hospital District determines patient status.
 - a. Patient is outpatient status at the time the medication is administered/dispensed/prescribed.
 - i. Outpatient status is determined by ensuring the patient is registered in the system and receiving health care in an eligible setting at the covered entity and receives a health care service from an eligible provider.
3. Mayers Memorial Hospital District maintains records of individual's health care in the facilities electronic Health record system One Content and Cerner.
4. Mayers Memorial Hospital District determines provider eligibility.
 - a. The provider is either employed by the covered entity or provides health care under contractual or other arrangements (e.g., referral for consultation) such that responsibility for the care provided remains with Mayers Memorial Hospital District. The qualified Prescriber list is updated at the time a change occurs and is uploaded into Hudson Headwaters (340B Third Party Administrator). The prescriber list contains Eligible Prescriber, verified Medicaid enrollment, NPI number, and DEA number. This list is reviewed monthly to ensure accuracy. The EHR is uploaded to Hudson Headwaters. Prescribers are considered eligible for prescribing 340B medications if credentialed by Mayers Memorial Hospital District and the health care service provided by prescriber remains under the responsibility of care in an eligible location under Mayers Memorial Hospital District.
5. Mayers Memorial Hospital District determines patient's Medicaid status [Refer to Mayers Memorial Hospital District's Policy and Procedure "Prevention of Duplicate Discounts"]

SPECIAL CONSIDERATIONS:

[Refer to Mayers Memorial Hospital District's Policy and Procedure "Prevention of Duplicate Discounts"]

[Refer to Mayers Memorial Hospital District's Policy and Procedure "Covered Entity Eligibility"]

COMMITTEE APPROVALS:

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SUBJECT/TITLE:	340B Prevention of Duplicate Discounts	POLICY #340B005
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AUDIENCE:	Retail Pharmacy Staff	APPROVAL DATE:
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POLICY:

42 USC §256b(a)(5)(A)(i) prohibits duplicate discounts; that is, manufacturers are not required to provide a discounted 340B price and a Medicaid drug rebate for the same drug. Covered entities must have mechanisms in place to prevent duplicate discounts.

PROCEDURE:

Mayers Memorial Hospital District has elected to purchase drugs for its Medicaid patients through other mechanisms and carve out Medicaid.

Medicaid Carve-Out (FFS)

1. Mayers Memorial Hospital District does not dispense or administer 340B purchased drugs to Medicaid patients AND Mayers Memorial Hospital District provides non-340B drugs instead and subsequently bills Medicaid for those non-340B drugs (carve out).
 - a. Mayers Memorial Hospital District has answered “no” to the question, “Will the covered entity dispense 340B purchased drugs to Medicaid patients AND subsequently bill Medicaid for those dispensed 340B drugs?” on 340B OPAIS.

Medicaid Managed Care (MCO)

Covered entities are encouraged to work closely with their state to prevent duplicate discounts for Medicaid managed care claims. Mayers Memorial Hospital District has proper mechanisms in place to ensure duplicate discounts are prevented by verifying that the Medicaid Exclusion File is accurate and reflects the practice of the entity, clearly Identify and flag all plans that are categorized as Medicaid in the system and perform transaction testing to identify and prevent duplicate discounts.

Contract Pharmacies

1. Mayers Memorial Hospital District’s contract pharmacies carve-out Medicaid FFS.
2. Mayers Memorial Hospital District has followed the states guideline to ensure a process to prevent duplicate discounts for Medicaid MCO.

COMMITTEE APPROVALS:

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE:	340B Prime Vendor Program Enrollment and Updates	POLICY #340B004
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REVISION DATE:	07/23/2024	EFFECTIVE DATE: 07/01/20222
AUDIENCE:	Retail Pharmacy Staff	APPROVAL DATE:
OWNER:	K. Shultz	APPROVER: K. Earnest

DEFINITIONS: 340B Prime Vendor Program (PVP)- The purpose of the PVP is to develop, maintain, and coordinate a program capable of distribution, facilitation, and other activities in support of the 340B Program. The PVP is a voluntary program for 340B covered entities and serves its participants in three primary roles:

1. Negotiating sub-340B pricing on pharmaceuticals.
2. Establishing distribution solutions and networks that improve access to affordable medications; and
3. Providing other value-added products and services.

POLICY: The purpose of the Prime Vendor Program (PVP) is to improve access to affordable medications for covered entities and their patients.

PROCEDURE:**Enrollment in PVP:**

1. Mayers Memorial Hospital District completes online 340B Program registration with HRSA.
2. Mayers Memorial Hospital District completes online PVP registration (<https://www.340bvp.com/register/apply-to-participate-for-340b/>).
3. PVP staff validates information and sends confirmation email to Mayers Memorial Hospital District.
4. Mayers Memorial Hospital District logs in to www.340bvp.com, selects username/password.

Update PVP Profile:

1. Mayers Memorial Hospital District accesses www.340bvp.com.
2. Mayers Memorial Hospital District clicks Login in the upper right corner.
3. Mayers Memorial Hospital District inputs PVP log-in credentials.
 - a. In the upper right corner:
 - i. Click “My Profile” to access page. <https://members.340bvp.com/webMemberProfileInstructions.aspx>.
4. Mayers Memorial Hospital District clicks “Continue to My Profile” to access page <https://members.340bvp.com/webMemberProfile.aspx>.
 - a. Find a list of your facilities
 - i. Click on the 340B ID number hyperlink to view or change profile information for that facility.
 - b. Update HRSA Information:
 - i. Complete the 340B Change Form as detailed above.

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE: 340B Prime Vendor Program Enrollment and Updates		POLICY #340B004
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AUDIENCE: Retail Pharmacy Staff	APPROVAL DATE:	
OWNER: K. Shultz		APPROVER: K. Earnest

- a. After 340B OPAIS has been updated, the PVP database will be updated during the nightly synchronization.
5. Mayers Memorial Hospital District updates the 340B Prime Vendor Program (PVP) Participation Information:
 - a. Edit Mayers Memorial Hospital District's DEA number, distributor and/or contacts.
 - b. Click submit.

COMMITTEE APPROVALS:

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE: 340B Program Agreement	POLICY #340B003
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AUDIENCE: Retail Pharmacy Staff	APPROVAL DATE:
OWNER: K. Shultz	APPROVER: K. Earnest

DEFINITIONS: Definitions of terms may be found in (Appendix: [340B Glossary of Terms](#)).

POLICY: This document contains the written policies and procedures that Mayers Memorial Hospital District uses to oversee the 340B Program operations, provide oversight of contract pharmacies, and maintain a compliant 340B Program. [Section 340B of the Public Health Service Act \(1992\)](#) requires drug manufacturers participating in the Medicaid Drug Rebate Program to sign a pharmaceutical pricing agreement (PPA) with the Secretary of Health and Human Services.

- a) This agreement limits the price that manufacturers may charge certain covered entities for covered outpatient drugs.

The 340B Program is administered by the federal Health Resources and Services Administration (HRSA) in the Department of Health and Human Services (DHHS).

Upon registration in the 340B Office of Pharmacy Affairs Information System (340B OPAIS), Mayers Memorial Hospital District:

- a. Agrees to abide by specific statutory requirements and prohibitions.
- b. May access 340B drugs

340B Policy Statements

1. Mayers Memorial Hospital District complies with all requirements and restrictions of Section 340B of the Public Health Service Act including, but not limited to, the prohibition against duplicate discounts/rebates under Medicaid, and the prohibition against transferring drugs purchased under 340B to anyone other than a patient of the entity. ([Public Law 102-585, Section 602](#), [340B Guidelines](#), [340B Policy Releases](#)).
2. Mayers Memorial Hospital District uses any savings generated from 340B in accordance with 340B Program intent.
3. Mayers Memorial Hospital District has systems/mechanisms and internal controls in place to reasonably ensure ongoing compliance with all 340B requirements.
4. Mayers Memorial Hospital District maintains auditable records demonstrating compliance with the 340B Program.
 - a. These reports are reviewed by Mayers Memorial Hospital District every quarter as part of its 340B oversight and compliance program.

REFERENCES:

[Public Law 102-585, Section 602](#), [340B Guidelines](#), [340B Policy Releases](#)).

COMMITTEE APPROVALS:

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE:	340B PROGRAM COMPLIANCE, MONITORING/REPORTING	POLICY # 340B008
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AUDIENCE:	Retail Pharmacy Staff	APPROVAL DATE:
OWNER:	K. Shultz	APPROVER: K. Earnest

POLICY:

Covered entities are required to maintain auditable records demonstrating compliance with the 340B Program requirements.

PROCEDURE:

1. Mayers Memorial Hospital District develops an annual internal audit plan approved by the internal compliance officer or as determined by organizational policy.
2. Mayers Memorial Hospital District reviews 340B OPAIS to ensure the accuracy of the information for the parent site, off-site locations, and contract pharmacies.
3. Mayers Memorial Hospital District reviews the Medicaid Exclusion File (MEF) to ensure the accuracy of the information for the parent site, off-site locations, and contract pharmacies.
4. Mayers Memorial Hospital District ensures compliance with the GPO Prohibition.
5. Mayers Memorial Hospital District reconciles purchasing records and dispensing records to ensure that covered outpatient drugs purchased through the 340B Program are dispensed or administered only to patients eligible to receive 340B drugs and that any variances are not the result of diversion.
6. Mayers Memorial Hospital District reconciles dispensing records to patients' health care records to ensure that all medications dispensed were provided to patients eligible to receive 340B drugs. Mayers Memorial Hospital will select 25 records from a drug utilization file and perform the audit bi-weekly.
7. Mayers Memorial Hospital District reconciles dispensing records and Medicaid billing practices to demonstrate that Mayers Memorial Hospital District's practice is following the Medicaid billing question on 340B OPAIS.
8. Mayers Memorial Hospital District's 340B Oversight Committee reviews the internal audit results monthly.
 - a. Assess whether audit results are indicative of a material breach [Refer to Mayers Memorial Hospital District's Policy and Procedure "340B Noncompliance/Material Breach"]
9. Mayers Memorial Hospital District maintains records of 340B-related transactions for a period of 7 years in a readily retrievable and auditable format located within the Pharmacy system and Hudson Headwaters.

SPECIAL CONSIDERATIONS:

Refer to Mayers Memorial Hospital District's Policy and Procedure "340B Noncompliance/Material Breach"]

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COMMITTEE APPROVALS:

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE: 340B ROLES AND RESPONSIBILITIES		POLICY # 340B011
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AUDIENCE: Retail Pharmacy Staff	APPROVAL DATE:	
OWNER: K. Shultz	APPROVER: K. Earnest	

POLICY:

Covered entities participating in the 340B Program must ensure program integrity and compliance with 340B Program requirements. To identify Mayers Memorial Hospitals key stakeholders and determine their roles and responsibilities in maintaining 340B Program integrity and compliance.

PROCEDURE:

1. Mayers Memorial Hospital District's key stakeholders' roles and responsibilities with the 340B Program are to follow the robust guidelines that are established to support the 340B program, ensure 340B compliance, have the necessary training and resources available that pertain to their responsibilities as listed below, ensure that the program is functioning in accordance to the federal requirements-as well as the organizations documented policies and procedures.
2. Mayers Memorial Hospital District has established a 340B Oversight Committee that is responsible for the oversight of the 340B Program.
3. Mayers Memorial Hospital District's 340B Oversight Committee:
 - a. Meets monthly or sooner if needed.
 - b. Reviews 340B rules/regulations/guidelines to ensure consistent policies/procedures/oversight throughout the entity.
 - c. Identifies activities necessary to conduct comprehensive reviews of 340B compliance.
 - i. Ensures that the organization meets compliance requirements of program eligibility, patient definition, 340B drug diversion, and duplicate discounts via ongoing multidisciplinary teamwork.
 - ii. Integrates departments such as information technology, legal, pharmacy, compliance, and patient financial services to develop standard processes for contract/data review to ensure program compliance.
 - d. Oversees the review process of compliance activities, as well as taking corrective actions based on findings.
 - i. 340B Oversight Committee assesses whether the results are indicative of a material breach.
 - e. Reviews and approves work group recommendations (process changes, self-monitoring outcomes, and resolutions).

The following Mayers Memorial Hospital District staff are potential key players in the 340B Program, including governance and compliance, and should be standing members of the 340B Oversight Committee. Mayers Memorial Hospital District will identify who serves as the entity's authorizing official and primary contact for the 340B Program. These individuals should be the sponsors of the 340B Oversight Committee.

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE:	340B ROLES AND RESPONSIBILITIES	POLICY # 340B011
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1. Chief Executive Officer (CEO)
 - Responsible as the authorizing official in charge for the compliance and administration of the program
 - Responsible for attesting to the compliance of the program through recertification.
2. Chief Financial Officer (CFO)
 - Responsible for above in many cases
 - Must account for savings and use of funds to provide care for the indigent under the indigent care agreement.
 - Potentially responsible for attesting to the compliance of the program through recertification.
3. Director of Pharmacy
 - Accountable agent for 340B compliance
 - Agent of the CEO or CFO responsible to administer the 340B Program to fully implement and optimize appropriate savings and ensure that current policy statements and procedures are in place to maintain program compliance.
 - Maintains knowledge of the policy changes that affect the 340B Program, including, but not limited to, HRSA rules and Medicaid changes.
 - Monitors any changes in eligibility/information.
 - Be aware of products covered by 340B and Prime Vendor Pricing
 - Works with medical staff to use effective therapeutic classes that optimize savings with good clinical outcomes.
 - Responsible for establishing distribution accounts and maintaining those accounts, I.e., WAC account, 340B account, and GPO account.
 - Responsible for ordering all drugs from the specific accounts as specified.
 - Responsible for maintenance and testing of tracking system.
 - Maintain system databases to reflect changes in the drug formulary or product specifications.
 - Manage purchasing, receiving, and inventory control processes.
 - Assure appropriate safeguards and system integrity.
 - Assure program compliance.
 - Review and Refine 340B cost savings report detailing purchasing, and replacement practices, as well as dispensing patterns.
 - Often responsible as the primary contact for the 340B Program
 - Designs the annual plan to cover all changes in the 340B Program from the preceding year.
4. Pharmacy 340B Coordinator/Program Specialist
 - Accountable agent for 340B compliance
 - Day-to-day manager of the 340B Program

MAYERS MEMORIAL HEALTHCARE DISTRICT

SUBJECT/TITLE: 340B ROLES AND RESPONSIBILITIES		POLICY # 340B011
DEPARTMENT/SCOPE: 340B Program		Page 3 of 4
REVISION DATE: 07/23/2024	EFFECTIVE DATE: 07/01/2022	
AUDIENCE: Retail Pharmacy Staff	APPROVAL DATE:	
OWNER: K. Shultz	APPROVER: K. Earnest	

- Responsible for maintenance and testing of tracking software.
 - Responsible for documentation of policies and procedures
 - Maintains system databases to reflect changes in the drug formulary or product specifications.
 - Manages purchasing, receiving, and inventory control processes.
 - Continually monitors product minimum/maximum levels to effectively balance product availability and cost-efficient inventory control.
 - Ensures appropriate safeguards and system integrity.
 - Performs annual inventory and monthly cycle counts.
 - Ensures compliance with 340B Program requirements for qualified patients, drugs, providers, vendors, payers, and locations.
 - Monitors ordering processes, integrating most current pricing from wholesaler, and analyzes invoices, shipping, and inventory processes.
 - Designs and maintains an internal audit plan of the compliance of the 340B Program.
 - Engage Pharmacy in conversations that impact reimbursement.
 - Responsible for inventory management.
 - Responsible for segregation, removal, and/or return of 340B drugs, including reverse distributor transactions.
5. 340B Committee (representatives from pharmacy, IT, Finance, Administration)
- Responsible for communication of all changes to the Medicare cost report regarding clinics or revenue centers
 - Responsible for communication of all changes to Medicaid reimbursement for pharmacy services/products that affect 340B status.
 - Responsible for modeling all managed care contracts (with/without 340B)
 - Engages pharmacy in conversations that affect reimbursement.
 - Responsible for annual or semiannual physical inventory of pharmacy items.
 - Supports the pharmacy software selection of tracking software to manage the 340B Program.
 - Defines process and access to data for compliant identification of outpatient utilization for eligible patients.
 - Archives the data to make them available to auditors when audited.
 - Aware of products covered by 340B and Prime Vendor Program pricing.
 - Works with the medical staff to use effective therapeutic classes that optimize savings with good clinical outcomes.
 - Responsible for reconciliation of lend and borrow transactions.

MAYERS MEMORIAL HEALTHCARE DISTRICT

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SPECIAL CONSIDERATIONS:

(Refer to Mayers Memorial Hospital District's Policy and Procedure "340B Noncompliance/Material Breach")

COMMITTEE APPROVALS:

Quote #
CPQ-3416524

Quote Valid Until
30-NOV-2024

Currency
USD

Mayers Memorial Hospital District
43563 State Highway 299 East
FALL RIVER MILLS CA, 96028
US

Contact
5303365511
Ryan Harris
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Oracle America, Inc.
500 Oracle Parkway
Redwood Shores, CA
94065

Account Manager
Matt J Wilson
matt.j.wilson@oracle.com

Fee Summary

Fee Description	Net Fees	Monthly Fees	Annual Fees
Recurring Services - New Service	--	6,051.00	--
Professional Services -- Fixed Price - New Order	9,372.00	--	--
Professional Services -- Estimated Expenses - New Order	1,500.00	--	--
Total Fees	10,872.00	6,051.00	0.00

Ordered Items

Recurring Services

Part Number	Description	Term	Pass-Through Code	Quantity	Unit Net Price	Extended Monthly Fees
B101650	i2iLinks - Interface [Mfg Part Num: LINKS]	36 mo	3rd Party	1	1,495.00	1,495.00
B101652	i2iTracks (Up To Quantity) - Covered Lives [Mfg Part Num: TRACKS]	36 mo	3rd Party	7,500	0.6075	4,556.00
Subtotal						6,051.00

Professional Services

Professional Services - Fixed Price

Part Number	Description	Pass-Through Code	Net Fees
B104249	i2i Implementation - Client [Mfg Part Num: IMPLEMENTATION]	3rd Party	0.00
B107551	i2i Integration	--	9,372.00
Subtotal			9,372.00

Professional Services - Estimated Expenses

Part Number	Description	Estimated Fees
B102173	Oracle Health Travel and Expenses for Commercial Estimate - Each	1,500.00
Subtotal		1,500.00

This pricing example is provided for evaluation purposes. This quote is intended to further our discussions, it is not eligible for acceptance by you and is not a part of a binding contract between us for the products and/or services specified. User minimums and licensing rules may apply to the products specified. If you would like to purchase the products and/or services specified in this draft quotation, please ask Oracle to issue you a formal Quote (which may include an Oracle agreement if you do not already have an agreement with Oracle) for your acceptance and execution and return to Oracle. Your order will be effective only upon Oracle's acceptance of the formal Quote (and the Oracle agreement, if required).

Mayers Masterplanning Estimated Project Costs			sf	\$/sf	total	notes	only Seismic Required work
Construction							
New Acute Construction	New Addition: Acute & Pharmacy	OSHPD-1	13,697	\$ 2,000	\$ 27,394,000		\$ 27,394,000
	New Addition Site Work	OSHPD-1		lump sum	\$ 5,000,000		\$ 5,000,000
	Connector Pieces: connection kitchen to resident dining	OSHPD-1	140	\$ 1,000	\$ 140,000		\$ 140,000
New Non-OSHPD	New Addition: Purchasing & Administrative Offices	non-OSHPD	2,025	\$ 750	\$ 1,518,750		\$ 1,518,750
RACS	12-Bed/Pharmacy BLD: Station 3	OSHPD-1	6,000	\$ 150	\$ 900,000		\$ 900,000
	Original Hospital BLD: Station 1	OSHPD-1	6,000	\$ 150	\$ 900,000		\$ 900,000
	SNF BLD: Station 2	OSHPD-1	10,000	\$ 100	\$ 1,000,000		\$ 1,000,000
Remodel Existing Buildings	Remodel Surgery: New Kitchen	OSHPD-1	4,802	\$ 1,200	\$ 5,762,400		\$ 5,762,400
Burney Site	Burney ASC	OSHPD-3	8,433	\$ 1,000	\$ 8,433,000		\$ 8,433,000
	Burney site work	OSHPD-3		lump sum	\$ 3,000,000		\$ 3,000,000
	Burney Maint Building	non-OSHPD	2,549	\$ 150	\$ 382,350	metal building	
Construction SubTOTAL					\$ 54,430,500		\$ 54,048,150
Construction Contingency		15%			\$ 8,164,575		\$ 8,107,223
Admin Costs (Permit/Utility Fees , T&I, Site Survey/Reports/Studies, Legal, PM)		5%			\$ 2,721,525		\$ 2,702,408
Design Services		7%			\$ 3,810,135		\$ 3,783,371
Equipment (Med, Kitchen, FF&E, Communications)		15%			\$ 8,164,575		\$ 8,107,223
Owner Contingency		5%			\$ 2,721,525		\$ 2,702,408
subTOTAL					\$ 80,012,835		\$ 79,450,781
NPC Milestones	Non-structural eval	OSHPD-1		lump sum	\$ 50,000		
TOTAL					\$ 80,062,835		\$ 79,450,781

Introba FR Acute Add and Burney RHC/ASC = \$5M

SELF FUNDED PROJECTS							
FR Out-Buildings	FR Clinic Building Remodel - combine Finance/Business	non-OSHPD	4,300	\$ 50	\$ 600,000.00		
Deferred Maintenance	Placeholder - HVAC upgrades, Generator requirements, etc	varies		lump sum	\$ 16,000,000.00		
PIN 74 Work - Burney Annex					\$ 472,110.00		
Solar Project	FR Solar Project				\$ 3,000,000.00		
Self Funded Total					\$ 20,072,110.00		

**MMHD Burney Annex
Pin 74 Project**

Estimated Costs		Notes
Aspen Street Architects Inc.	\$ 122,110.00	
Generator with belly tank	\$ 125,000.00	est. range \$100-125K
Exterior Lighting at generator	\$ 15,000.00	est. range \$10-15K
Concrete pad/bollards or fencing	\$ 20,000.00	est. range \$15-20K
ATS (pad or wall mounted)	\$ 25,000.00	For the pad -- est. range \$20-25K
Feeders between generator/ATS	\$ 30,000.00	est. range - \$25-30K -- If generator is located on other side of building, might be around \$80-125K, would look into 480V generator and step down transformer to 208Y/120V
Distribution/panelboards serving AC loads	\$ 20,000.00	est. range - \$15-20K
Re-feed AC units from new panelboards	\$ 15,000.00	est. range - \$10-15K
Totals (high end)	\$ 372,110.00	
With contingency	\$ 100,000.00	suggested to escalate with contingency by at least \$100-150K
Total	\$ 472,110.00	