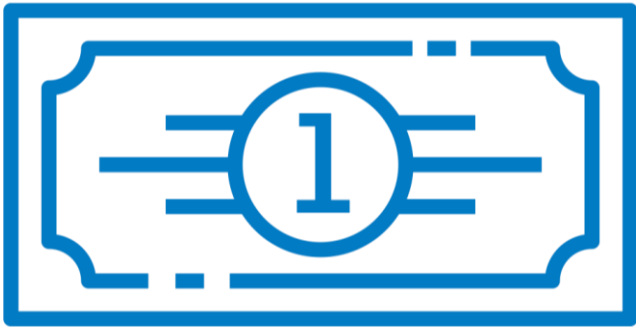

A Compliant 340B Cash Model for the Uninsured



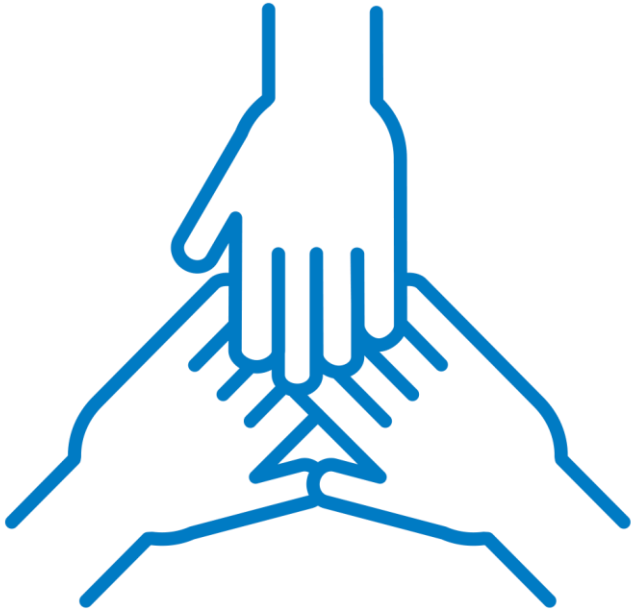
What is a 340B Cash Program:



By utilizing SUNRx as their 340B Administrator, safety net hospitals have the ability to tap into the benefits the 340B program can provide: increasing financial support that enables hospitals to provide better care, improve patient outcomes, and help the indigent/uninsured gain access to the discounted medications they need. SUNRx's cash program provides a conduit for safety net hospitals to pass along 340B savings to their patients as intended.



Why create a cash program?



Better serve your patient population and community

340B cash fulfills a keystone mission - care to all, regardless of patients' ability to pay. Cash programs meet the key 340B program intent—benefit to the uninsured. Pharmacies also want a solution to help low income patients.

Improve clinical outcomes

Minimize your hospital's risk of Medicare readmission penalties. Ensure patients get their prescriptions filled regardless of their ability to pay.

Allocate scarce funds more efficiently

Provides a solution for hospitals' charity care or FQHC's grant programs. Minimize risk of Charity Care cost increases. Money patients save can be applied to Community Health Needs Assessment. Provide a community benefit using the additional savings created by the 340B program.



How will your patients benefit?



- Access to heavily discounted drug prices.
- Ability to afford medications.
- Improved clinical outcomes.
- Better patient piece of mind.
- Sense of good customer service by the hospital.



What are the challenges to a cash program?

Coordination with pharmacies

- In-house pharmacy limitations: limited hours, weekends, geography.
- Contract pharmacies typically work retrospectively. They don't know 340B eligibility at the "point of service."
- Lack of real-time patient "visit."

Internal logistics

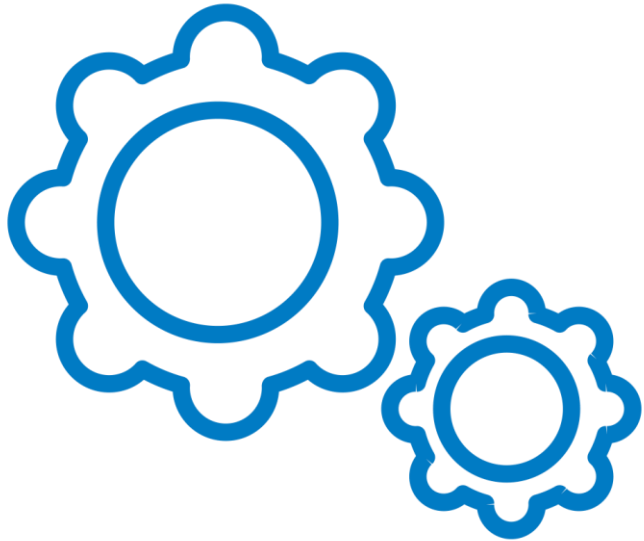
- Cash program needs to integrate with 340B for insured patients.
- Inability to differentiate entity scripts vs. community scripts.

Fluctuating pricing

- Difficulty communicating daily 340B pricing.
- Difficulty communicating patient income levels and the corresponding 340B sliding scale pricing.
- The 340B price is not always the lowest price for the patient.



How could it work?



In-house/Owned Retail Pharmacy Model

- Cash Prescriptions filled at the entity's in-house or community retail pharmacy.

Paper-Based (or Script Pad) Community Model

- 340B eligibility is noted or barcoded on the written prescription.

Flat Copay (or Voucher) Model

- Flat fee charged (through a copay voucher) to uninsured patients.

Retrospective Rx Card Model

- Rx card adjudicated at a defined price/subsidy, with a retrospective true-up.

Real-Time Rx Card Model

- 340B eligibility and income-level pricing automated at the Point of Service.

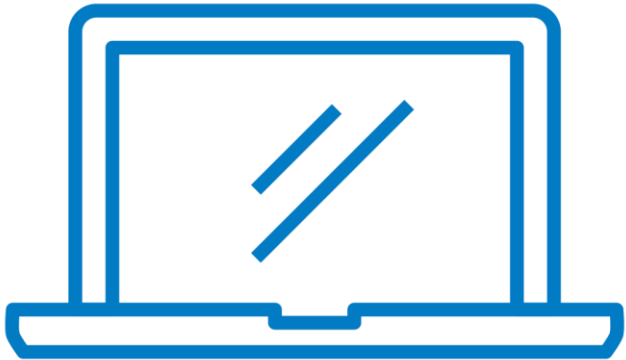


Implementing a 340B Cash Program:

How we can help



340B Cash Program—Real Time Processing



Program Set-up

- Set up the 340B cash benefit design to meet your organization's needs.
- Load all 340B eligibility elements into the PBM (patients, 340B pricing, pharmacies.)

Cash Processing

- 340B prescription cards and marketing materials.
- Prescriptions adjudicated in real time.
- “Lower of” pricing.
- 340B usage is accumulated & replenished.
- Financial invoicing between stakeholders.



Cash Subsidy Program: How is it run?



- Create tiers based on income and ability to pay.
- Qualify patients during admission.
- Hospitals can do no subsidy, partial subsidy or full subsidy.
- Patient tiers are tied to their cash card for ease of use by patients and pharmacies.
- Some hospitals work deals with their counties to help with the subsidy program.



340B Cash Subsidy Program

Example of what a tiered cash subsidy can look like:

| Patient Division | Patient Population | Tier 1 | Eligibility Period (this is the time the patient is eligible to be in this division) | Tier 2 – various tiers can be set up to provide a different range of coverage for certain prescriptions | Hospital/Clinic Fee (this amount goes directly to your 340B savings and can subsidize the cost of running the program.) | Maximum Coverage Per Prescription | Maximum Number of Prescriptions per Patient per Month |
|------------------|---------------------|--|--|---|---|-----------------------------------|---|
| Division 1 | Indigent division 1 | Flat copayment or % of coverage; i.e. \$5 copayment | 1 | Copayment or % of coverage (different from tier 1) | \$0.00 | \$200 | 4 |
| Division 2 | Indigent division 2 | Flat copayment or % of coverage; i.e. \$10 copayment | 2 | Copayment or % of coverage (different from tier 1) | \$5 | \$200 | 3 |



Questions?

