

# CASE STUDY

## The PVP Provides Transparency in the 340B Drug Marketplace

by Apexus

*Since 2004,  
Apexus has Served as  
The Federal  
340B Prime Vendor*

*Providing for Nearly  
**40,000**  
Covered Entities*

**\$5.5 Billion**  
*in value to  
PVP Participants*

The 340B drug pricing world can be difficult to understand. It's easy to get lost between the requirements and needs of the many different 340B stakeholders: manufacturers, wholesalers, distributors, state Medicaid programs, and all of the qualifying unique safety net provider types. Transparency is especially important in the health care industry, particularly in complex programs like 340B.

### What are the 340B Drug Pricing Program and the 340B Prime Vendor Program?

The 340B Drug Discount Program is a federal drug pricing program that allows qualified health centers and hospitals to purchase outpatient drugs at deeply discounted prices. The intent is for these health care providers to reinvest the savings into programs that benefit the very communities they serve.

The 340B statute requires a Prime Vendor Program (PVP). The PVP acts as an intermediary through which covered entities may enter into contracts for the distribution of drugs and also provides additional valuable services to covered entities.

The Health Resources and Services Administration (HRSA) administers the 340B Drug Pricing Program through its Office of Pharmacy Affairs. Apexus is in its third five-year contract term with HRSA. Since 2004, Apexus has served as the federal 340B Prime Vendor, providing nearly 40,000 covered entities with discounts on drug distribution services, branded and generic medications, vaccines, women's health products, and diabetic supplies. In that time, Apexus has generated \$5.5 billion in value to PVP participants.

Since HRSA first implemented the PVP in 1999, it has awarded the PVP contract to a prime vendor. The utility of a prime vendor for administrative simplicity, negotiating

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## HOW APEXUS SUPPORTS THE PRIME VENDOR PROGRAM

CONTRACTING

DISTRIBUTION

EDUCATION

ASSISTANCE

MANUFACTURER  
REFUND SERVICE

Apexus  
Answers  
CALL CENTER



effectiveness, and program integrity has proven to be an effective model. It's important to note that all HRSA-registered 340B covered entities have access to 340B pricing through their distributors and can sign up with the Prime Vendor Program at no charge to access additional savings.

Apexus works with the entire 340B stakeholder community. It provides tools and resources for health care providers to identify best prices and product alternatives, and provides 340B Program technical assistance; in addition, Apexus manages the only HRSA-aligned national call center for the program.

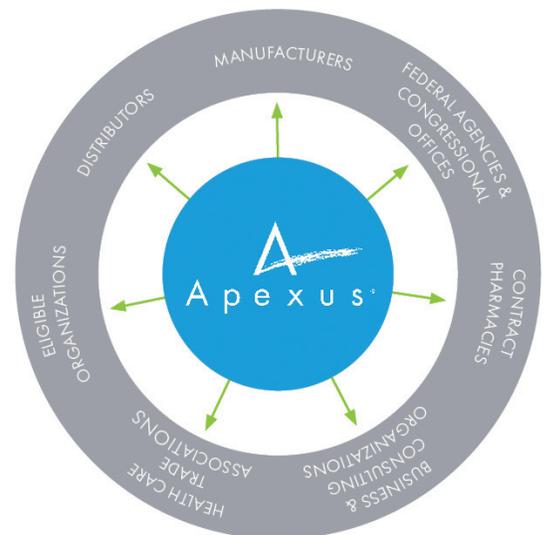
Manufacturers trust Apexus in its role as the 340B Prime Vendor, managing program discounts and serving as a business partner to all 340B stakeholders to improve the program's overall integrity. More than 80 manufacturers have engaged Apexus as the 340B Prime Vendor to voluntarily extend additional discounts on their drugs within the program. Apexus provides suppliers with unique contract administration services and drug pricing expertise to efficiently access nearly 11,000 hospital patient site and health center purchasers. In addition, Apexus leaders regularly speak at many manufacturer forums and national conferences where the challenges and opportunities of the 340B Program are discussed.

Apexus provides a distribution infrastructure that ensures program integrity.

The Prime Vendor Program supports accountability from wholesalers and ensures that pricing is consistent, accurate, and transparent. The Prime Vendor Program holds wholesalers to industry standards and performs regular audits of their compliance.

In addition to lowering 340B drug prices for safety net providers, the Prime Vendor also brings transparency to all stakeholders in ways that no one else can. Here's how:

## 340B Stakeholders



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## 340B EDUCATION PROGRAMS

*Apexus offers a number of educational offerings in support of HRSA's directive to help improve 340B program compliance and integrity.*



**340B UNIVERSITY**

**340B UNIVERSITY  
ON DEMAND**

**340B TOOLS**

1. The Prime Vendor communicates the 340B selling prices on its secure website, 340Bpvp.com, for 340B providers to verify.
  - a. The Prime Vendor audits its distributor partners to ensure that the pricing is correct.
  - b. When selling prices differ among wholesalers, the Prime Vendor reaches out to help solve the problem and get the correct pricing loaded so that safety net providers are paying the right price. This also reduces the administrative burden for all parties in minimizing credits and rebills.
  - c. For some products, the manufacturer provides the ceiling price to the Prime Vendor Program directly, and this is shared with Prime Vendor participants.
2. The Prime Vendor is paid only through administrative fees from distributors and manufacturers; it doesn't charge any fees to hospitals or clinics. This model is a great example of a public-private partnership: it costs the government and taxpayers nothing.
3. The 340B Program is a complex government program that can be intimidating. The Prime Vendor works closely with the government to develop award-winning educational tools for all 340B stakeholders to ensure that the rules are clear.
  - a. The Prime Vendor offers the only free, confidential, nationwide 340B call center aligned with HRSA.
  - b. Any stakeholder can ask a 340B question and receive a consistent answer that it knows and trusts is aligned with HRSA policy. Apexus Answers call center is the primary distribution avenue for HRSA's frequently asked questions (FAQs) to be communicated to stakeholders to help them navigate the program.
  - c. In addition, the Prime Vendor provides free 340B University training sessions—where any stakeholder can learn from experts how to follow the program rules. There are monthly live sessions, as well as an online version where 340B stakeholders can learn at their own pace in the privacy of home or office.

These are all examples of how the Prime Vendor lowers drug pricing and adds transparency to the 340B program.

Whether it is ensuring visibility and accuracy to drug pricing, making it easier to follow the 340B rules, or sharing the value with safety net providers, the Prime Vendor partners with stakeholders to bring transparency and value.

More information about the Apexus Prime Vendor Program can be found at [www.340BPVP.com/about](http://www.340BPVP.com/about).



## Apexus, the 340B Prime Vendor, helps stakeholders in three key ways:

- 1 Lower drug pricing for program participants.
- 2 Provide transparency for 340B selling price information and data.
- 3 Support 340B compliance through education and assistance with 340B University and the Apexus Answers national call center.

### **Q: How does the PVP lower drug pricing?**

**A:** The PVP leverages the collective purchasing volume of all 340B safety-net providers to negotiate discounts on 340B drugs.

Apexus provides drug pricing transparency in the 340B marketplace on [340Bpvp.com](http://340Bpvp.com), with no rebates or fees charged to hospitals or clinics, or use of taxpayer dollars.