SOUTHERN NEVADA COMMUNITY HEALTH CENTER
DISTRICT-WIDE POLICY

DIVISION:	FQHC	**NUMBER(s):**	CHCA-046
PROGRAM:	Pharmacy	**VERSION:**	1.00
TITLE:	Pharmacy Billing & Pricing	**PAGE:**	1 of 5
		EFFECTIVE DATE: Click or tap here to enter text.	
DESCRIPTION:	Procedure for pharmacy formularies, pricing, billing, discounts, and related compliance requirements.	**ORIGINATION DATE:** NEW	
APPROVED BY: **CHIEF EXECUTIVE OFFICER - FQHC** Randy Smith, MPA Date		**REPLACES:** NEW	

I. PURPOSE

To describe how Southern Nevada Community Health Center determines appropriate billing and pricing for medications dispensed at pharmacy locations, including pricing formulas, discounts, and related billing requirements.

II. SCOPE

This procedure applies to all Southern Nevada Community Health Center employees, associates, providers, managers, supervisors, pharmacy staff, and designees involved in prescribing, dispensing, pricing, billing, collecting, or administering pharmacy services.

III. POLICY

1. The pharmacy maintains a reasonable supply and selection of commonly prescribed medications at health center pharmacy locations. This supply is not an all-inclusive formulary and does not restrict provider prescribing preferences.
2. All pharmacies shall use the pricing schedule reflected in the pharmacy system to promote uniformity of pricing.
3. Pricing data, including AAC, AWP, WAC, and other industry-standard pricing data, is updated through the wholesaler and pharmacy system EDI process.
4. Because 340B prices adjust quarterly, the medication's prior-quarter purchase cost may differ from the current-quarter purchase cost. Current-quarter pricing data for the prescription fill date is considered current and correct.
5. Any pricing error or recommendation shall be brought to the attention of the Pharmacy Manager/designee.

6. Pharmacy staff may adjust prescription prices on a case-by-case basis only in limited circumstances and with pharmacist approval.
7. The health center makes reasonable efforts to ensure prescription access and affordability for all patients, regardless of insurance status or ability to pay, consistent with applicable Health Center Program guidance and internal billing and collection requirements.
8. When a pharmaceutical dispensing fee is charged, the dispensing fee is treated as a service charge on the fee schedule, and the sliding fee discount is applied to the dispensing fee.
9. Patient eligibility and sliding fee scale documentation recorded in the patient medical record are used to determine eligibility for discounted pharmacy fees. Sliding fee scale information and updates shall be recorded in the pharmacy system.
10. For insured patients, a discount may be applied as coinsurance or secondary payment coverage up to the discounted price that would apply if no primary insurance existed.
11. If an insurance contract prohibits copay waivers, pharmacy administration may notify the PBM when necessary and in accordance with the applicable billing policy.
12. Additional discounts may be approved at the discretion of the Pharmacy Manager/ designee when a patient remains unable to pay, consistent with the health center's mission not to turn patients away due to inability to pay.
13. Funding for pharmacy discounts will come from external sources, such as grants, donations, or 340B program revenue. Section 330 funds are not used to support pharmacy discounts.
14. The Pharmacy Manager/designee is responsible for reviewing related guidelines for conformity with this procedure and applicable legal requirements and for resolving related issues.

IV. PROCEDURE

A. Formularies and Pricing Data

1. Maintain a reasonable supply and selection of commonly prescribed medications at health center pharmacy locations.
2. Use the pricing schedule in the pharmacy system as the authoritative source for pharmacy pricing.
3. Allow EDI updates from the wholesaler and pharmacy system to update AAC, AWP, WAC, and other industry-standard pricing fields.
4. For 340B medications, use the current-quarter pricing data applicable to the prescription fill date when prior-quarter and current-quarter purchase costs differ.
5. Report identified pricing errors or recommendations to the Pharmacy Manager/designee.

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6. Charges and payment for medications are determined based on one or more of the following.
    a. Insurance coverage
    b. Eligibility for charitable assistance (i.e., manufacturer assistance, foundations, donations).
    c. Sliding Fee Program eligibility (Sliding Fee Policy-CHCA-002)
    d. Medication Safety Net ProgramCHCA-012) eligibility

B. Pricing Review and Adjustments

1. Review and adjust prices or pricing formulas as needed based on patient access, pharmacy revenue, online discount drug card pricing, and other published local pharmacy pricing data.
2. Apply case-by-case price adjustments only in limited circumstances and only with pharmacist approval.
3. Maintain the price override log through pharmacy system reporting.

C. Sliding Fee and Discount Determination

1. Use patient eligibility and sliding fee scale documentation recorded in the medical record to determine eligibility for discounted pharmacy fees.
2. Record sliding scale information in the pharmacy system.
3. Apply the sliding fee discount to the pharmaceutical dispensing fee because the dispensing fee is a service charge on the fee schedule.
4. Medication supplies and equipment that are related to, but not included in the SNCHC service itself, are not part of the health center's sliding fee discount program.

D. Billing and Collections

1. For insured patients, apply any approved discount as coinsurance or secondary payment coverage up to the applicable discounted price when appropriate.
2. If a payer contract prohibits copay waivers, pharmacy administration may notify the PBM when necessary and consistent with billing policy requirements.
3. Make reasonable efforts to collect payment due for prescriptions provided.
4. When a patient remains unable to pay, the Pharmacy Manager/designee may authorize additional discounts consistent with this procedure and documented funding restrictions.

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E. Sliding Scale Pricing Formula

1. Use the following pricing formulas for sliding fee scale eligible pharmacy patients unless a more current approved pricing schedule is implemented in the pharmacy system.

Sliding Scale	Primary Pricing Formula	Secondary Pricing Formula
Slide scale P0-P4	Current FY flat fee per FPL level + $5 dispensing Fee	Designated STI Tx: $9
Flat fee medications	AAC + 15-20% or $15 (whichever is greater) Round up to nearest $1.00	Insulin: $15/vial, $10/pen Epi-pens: $35
Safety Net / FQHC Patients	No charge	No charge
Retail / Non-FQHC Patients	U&C; no discount	U&C; no discount

ACRONYMS/DEFINITIONS

Terms	Definition
AAC	Actual acquisition cost.
AWP	Average wholesale price.
EDI	Electronic Data Interface used to update pricing data between the wholesaler and pharmacy system.
FPL	Federal Poverty Level.
FQHC	Federally Qualified Health Center.
PBM	Pharmacy benefit manager.
SFS	Sliding fee scale.
U&C	Usual and customary charge.
WAC	Wholesale acquisition cost.

REFERENCES

- Health Center Program Compliance Manual, Chapter 9: Sliding Fee Discount Program
- Health Center Program Compliance Manual, Chapter 16: Billing and Collections
- HRSA Health Center Program Site Visit Protocol

DIRECT RELATED INQUIRIES TO

Pharmacy Manager
Pharmacy Services

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ATTACHMENTS-FORMS-TEMPLATES

Attachment 1, P-CHC-046-ATT-1, Sliding Scale Pharmacy Pricing Formula

HISTORY TABLE

Table 1: History

Version No.	Effective Date	Change Made
Version 0		First issuance

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