

Tab 2-19

## DSH Outpatient Settings & 340B

### Question

My hospital does not have an outpatient pharmacy. May we use the 340B program to purchase drugs administered in hospital outpatient settings such as hospital outpatient clinics, a chemotherapy or dialysis center, and/or the hospital?

### Answer

Yes. The 340B program covers not only drugs dispensed by outpatient pharmacies for patient self-administration but also drugs administered by physicians in hospital outpatient settings. The hospital must develop a tracking system to ensure that drugs purchased through the 340B program are not used for hospital inpatients. Hospital pharmacies that purchase drugs for both inpatient and outpatient use have an increased responsibility to ensure that proper safeguards are in place to protect against diversion of 340B-priced drugs to hospital inpatients.

Manual or electronic processes can be implemented to appropriately address the 340B requirements for mixed patient care settings. 340B split billing software, such as those offered at a discount by the 340B Prime Vendor as a “value added service” to its participants, may enable the covered entity to maintain a single inventory of product for the mixed patient care settings while ensuring compliance with program requirements. The software enables covered entities to optimize the value of the discounts available through the 340B program and provides the appropriate ordering and reporting capabilities. More on 340B split billing software:<http://www.340bpvp.com>

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