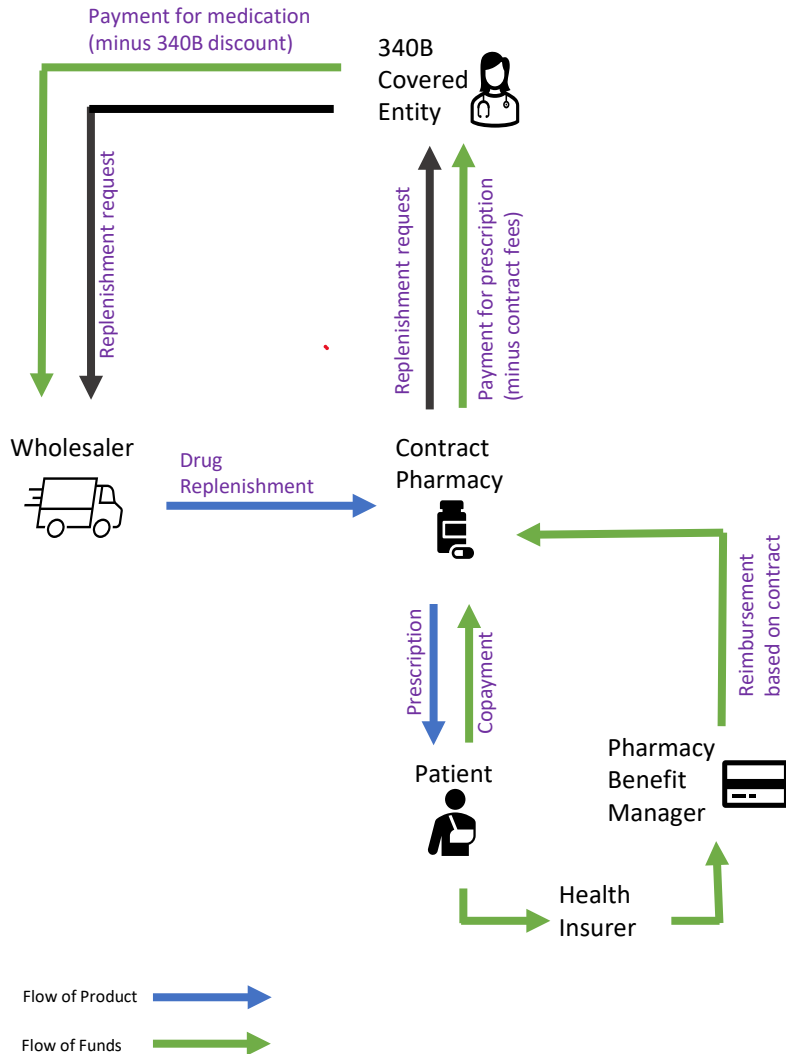


Definitions

The 340B Process



340B Covered Entity

An entity that is eligible for participation in the 340B program. Covered entities must register with and be approved by the Health Resources and Services Administration (HRSA) and must recertify their eligibility on an annual basis. In addition, they are required to report any potential change in status immediately. Covered entities can include, but are not limited to Disproportionate Share Hospitals, Critical Access Hospitals, Federally Qualified Health Centers, and Ryan White Grantees.

Contract Pharmacy

A contract pharmacy is a pharmacy that is not part of the covered entity but has an agreement with a covered entity to provide services to the covered entity's patients, including dispensing the 340B drugs owned by the covered entity. A contract pharmacy must do the following prior to dispensing drugs on behalf of a 340B covered entity:

- Have a written, signed contract with the covered entity
- Register for the 340B program
- Be listed on the 340B Office of Pharmacy Affairs Information System

Pharmacy Benefit Managers (PBMs)

PBMs manage prescription drug benefits on behalf of health insurers and other payers. They assist health plans in negotiating payment rates with manufacturers, create and maintain lists of covered medications, and contract directly with pharmacies to provide reimbursement for drugs dispensed to beneficiaries.