Welcome to 340B Insight from 340B Health.

Hello from Washington DC. And welcome back to 340B Insight, the podcast about the 340B Drug Pricing Program. I'm David Glendinning with 340B Health. We're happy to be back after the holiday break and we hope you and your loved ones had a safe pleasant Independence Day. This episode is sponsored by Macro Helix who is a leader in 340B. Whether implementing a new program, establishing a contract pharmacy network, or simply optimizing your existing 340B procedures, you need a collaborative partner who understands your needs and uncomplicates the complicated. You need Macro Helix because together... we got this.

Our guest today is Chuck Beams, Executive Director of Pharmacy Services, Business Development, and Government Relations at East Alabama Medical Center. He has some very compelling stories to share with us about the benefits 340B brings his rural community both in times of crisis and during more ordinary times. But before we go to that interview, let's take a minute for a roundup of 340B news.

It has been nearly eight months since a federal appeals court heard oral arguments in a lawsuit challenging the deep cuts in Medicare part B payments to many 340B hospitals that have been in effect since 2018. You may recall that a lower court ruled that the pay cuts were unlawful, but the government appealed those rulings. As we record this episode, we are still waiting for word on the appeal and court watchers tell us that decision is expected any day now.

The outcome would have major implications not just for payment levels from the past two and a half years, but also for the amounts that 340B hospitals can expect Medicare to pay starting next calendar year. When the court issues its decision, we will bring you up to speed as soon as we can. In the meantime, please check out our newest 340B research, which looks at cancer care for patients in vulnerable populations. A review of Medicare claims from 2018 demonstrates that 340B disproportionate share hospitals see a much higher percentage of patients who are living with low incomes, who are disabled, or who are Black or African American. This adds to a growing body of evidence that the 340B program helps participating hospitals provide needed care to populations of patients who typically have been underserved in the U.S healthcare system. That is just as Congress intended. You can find a link to this issue brief and additional information about the pending Medicare cuts lawsuit in the show notes for this episode.

Today's feature interview is with Chuck Beams. We spoke with Chuck earlier this year, before the COVID-19 pandemic swept through the U.S and dominated the attention of health care providers. But East Alabama Medical Center is no stranger to emergencies as you will soon hear. Our own Myles Goldman sat down with Chuck. Here's what he had to say.

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Hello, I'm Myles Goldman, communications manager at 340B Health. Today our guest is Chuck Beams, the executive director of pharmacy and business development at East Alabama Medical Center in Opelika, Alabama. Chuck received a Bachelor of Science and Pharmacy from Auburn University and earned his MBA from Auburn University Montgomery in 2018. I'm going to go out on a limb and guess he's an Auburn Tigers fan then.

Chuck Beams (03:42):
War Eagle.

Myles Goldman (03:44):
Chuck has been at East Alabama Medical Center for 13 years and has focused on improving technology-based solutions in the inpatient pharmacy setting. He also serves on the Alabama Hospital Association's telehealth task force and is active in his local community, including as a member of the Opelika City Schools' Board of Education and Chamber of Commerce. Chuck is also the president elect of the Alabama Society of Health System Pharmacists. With all that going on, we appreciate you taking the time to speak with us today. Welcome to the podcast Chuck.

Chuck Beams (04:16):
Thank you. Glad to be here.

Myles Goldman (04:18):
So let's just begin by talking about what your role at East Alabama Medical Center is.

Chuck Beams (04:24):
Well, it's an interesting role and it's a role that I do enjoy. Of course I love pharmacy. That has kind of been my life for many, many years. I would try to add that up, but it would make me feel old. So I won't do that. More than 20 years. I do oversee the pharmacy operations. I have two great teams there in the pharmacy services area. We have our team that runs our inpatient services. We have two hospitals there in East central Alabama, and then we have a team that runs our ambulatory pharmacy services, and we have three retail open to public pharmacies. We have one of the only 24-hour pharmacies in the area. I think it's one of two between Atlanta and Mobile. So I don't know if you'd call that an overnight pharmacy desert, but not much going on there after hours.

Chuck Beams (05:14):
But we have that. We have just a couple of weeks ago a newly URAC accredited specialty pharmacy there in Opelika. So I oversee that and I got a great team like I said. They do a wonderful job and any success you see in me is because of them. I also oversee and handle the government relations for the hospital. That's an area that I really am kind of learning and I do enjoy it. It really kind of was born out of the 340B advocacy work that I've done with 340B Health over the years.

Myles Goldman (05:46):
Tell us a little bit more about the size of your hospital.

Chuck Beams (05:49):
We're a regional medical center there in East Central Alabama. We serve about 11 counties there. There are 67 counties in Alabama. We serve about 11 there. It's a population probably somewhere between 400,000 and 500,000. Really our primary, secondary service areas probably encompass maybe, we look at it on a zip code level, somewhere between 50 and 80 zip codes there in East Central Alabama, and in West Central Georgia. The Auburn Opelika metropolitan service areas, the second or one of actually the fastest growing MSAs in the South in that 100,000 population range.

Chuck Beams (06:29):
So it's a very prosperous area. Of course, we've got the university there. Auburn University is probably about seven miles from the main hospital. You see a lot of very affluent folks and very well-educated folks. And then when you venture 15, 20 miles outside of the hospital, it becomes very rural and a very underserved. And so we see folks who have great access and then we see folks that have horrible access. And so we're kind of there and kind of caught in the balance. Kind of as we all say, the safety net for those that don't have good access.

Myles Goldman (07:06):
And I know in your community, there has also been unfortunately some tragedy there. In March, 2019, your community was hit by a tornado that sadly killed 23 people. So it would be just interesting to hear about the role East Alabama Medical Center played in the response.

Chuck Beams (07:24):
Yeah. The hospital's role was just amazing. I've been there since 2007 and I've been in healthcare for, like I said, more than 20 years and grew up in Tuscaloosa and they've had their fair share of disasters specifically tornado related, I think back in 2011. But so March 3rd, the area South of the hospital there, the Beauregard area took a direct hit and we lost 23 citizens there. Actually, one of those was one of our nurses. She worked in our endoscopy area. And so the impact was huge.

Chuck Beams (08:04):
But yeah, so that day, I vividly remember that day. It was a Sunday sitting at home after church. And we knew the weather was going to be bad that day, but we had no idea it was going to turn like it did. And I started getting texts shortly after lunch and we were all being called back to the hospital. And so the next four or five hours was really just a blur, but then there are parts of it that I vividly remember. We had the community was just pouring into the hospital. Many of the victims that were hit by the storm, many of them were thrown from their homes. And so people would find them away from the home and they would be transported by car to the hospital or through a private vehicle.

Chuck Beams (08:45):
And so many, many people were disrupted from their family. People didn't know where their loved ones were. They were looking for children. They were looking for wives and husbands. So they were all coming to the hospital. And as I sat there and kind of watched the situation, as we go through things like that, we're trying to get through the situation and the event, but we're also trying to learn things for the next time and we're taking notes and trying to assess things.

Chuck Beams (09:11):
It really hit me how the hospital is way more than healthcare. It was the thing that was kind of holding the community together at that moment. People were bringing in food and water and within a course of
four or five hours, we treated I think, 70 or so victims. One family that really kind of drove it home for me, as I think about what we do as we stretch that scarce healthcare dollar. I had a family that their house was completely destroyed by the tornado. The husband came in with really a very catastrophic leg injury. We kept him for about a week and his wife ended up going through air transport to Birmingham. She had some very severe injuries they thought were head related injuries. And then their child was transported by air transport to a children's hospital in Birmingham. So they both were there for about a week.

Chuck Beams (10:13):
The husband was a machinist. He worked 40 hours a week and had a very good job and was a tradesman there working for a small company there in that area, but he didn't have insurance. And the company didn't at 25 employees, wasn't something that was offered. And it also was something that he just really couldn't afford. And so this kind of goes into the whole Medicaid expansion issue for us in the state. We're not an expansion state. But it also is a picture of the uninsured.

Chuck Beams (10:46):
And so here's a family who's the husband works and the mother and the father did not have insurance. We wrote off several thousands of dollars through the stay. We did not send them a bill. Child did have Medicaid through Alabama and so had coverage, but the mother and father did not. And as I thought about our place in this, they received world class care. The hospital was there holding the bag on it. It was a definitely a picture of the safety net. And it definitely was a picture of when you think about uncompensated care and charity care, those are the things that a lot of times you don't think about.

Myles Goldman (11:29):
Well, I'm glad to hear that the recovery though has been moving forward. As we've been discussing you're a rural hospital and broadening this out a little bit, rural hospitals have been having challenges. We know in the last decade, more than 120 rural hospitals have closed across the country. So I wanted to talk a little bit about what are some of the challenges rural hospitals are facing?

Chuck Beams (11:54):
Well, that's definitely a thing. We've lost I think 13 hospitals in Alabama in that same timeframe. We lost the last one in Georgiana, a little area there in Alabama. A lot of the hospitals around us, we're blessed to be in a good spot and we're making it. We're definitely not seeing the double-digit profit margins of some of the drug companies out there, but we're living on thin 2% margins and that's good. 85% of the hospitals in Alabama that serve rural communities are operating in the red.

Chuck Beams (12:29):
There's a lot of other hospitals as you look across Alabama that are struggling. And when you couple the constant noise to change the 340B program and to shrink the patient definition or whatever it is, whatever the topic of the day is. And then you couple that with some, a place like Alabama, that's not an expansion state, we did not expand Medicaid. And then add again the idea of Medicaid DSH cuts. I mean, it's really kind of unfathomable to think about all the things that are constantly being talked about being removed from the game for us. And so we're just trying to survive and we're just trying to deliver good healthcare to the citizens of the area.

Chuck Beams (13:16):
And that's one of the things we're doing as we're looking at kind of what are some things that we need to be looking at in the next two to five years is the idea that the health care probably is going to be more regionalized and, "Do we really need to have a hospital in these little small towns? So if we don't need a hospital there, what do we need?" We need some type of emergency department that we can do intake and then try and transfer patients back to a higher level of care if they need to come to it.

Chuck Beams (13:46):
But one of the biggest challenges for us is also primary care just getting basic primary care. And so a lot of times that primary care is unfortunately tied to that hospital that's struggling through some type of emergency room or whatever. When they fall off, when we lose another one, that's just another spot where you start seeing almost deserts for care, for pharmacy services, for primary care, whatever it might be. A lot of folks want us to tell, "What exactly are you using your 340 savings for?" Well, we use it for a lot of things. How would you argue that that's not stretching the scarce healthcare dollar? How would you argue that that's not improving the situation for those folks in those areas?

Myles Goldman (14:31):
And you just alluded to some different ways that you use savings. Can you share some of those?

Chuck Beams (14:37):
Yeah. I mean we do some really just interesting things. We've got pharmacists that we've put in our ER for example, and they're working and we've been tracking their savings for the last couple of years and it's amazing the things that we've saved through. In the summer, this is just one example. In the summer, unfortunately we have a lot of snake bites in Alabama. These pharmacists in the ER have been just pivotal in helping our physicians kind of work through the decision tree on whether or not to give these expensive antivenom products. And we've saved hundreds of thousands of dollars just by that pharmacist being there and helping these guys make good decisions on that.

Chuck Beams (15:25):
They help with med histories. We've got pharmacists that we've got on our floors doing transitions of care work. That transition from discharge to home is one that's tough. And we've got pharmacists that we've deployed to look at those discharge med summaries, and really making sure that this pneumonia patient who needs to be on levaquin when they go home is truly actually on levaquin when they go home. And so we've got pharmacists embedded in some of our practices. We're in the process right now working on a partnership with the city of Opelika which is where their main campus is. We're actually doing a mobile bus. Going to have a mobile health clinic that's going to basically treat the folks with social determinants of health or whether it's transportation or access or whatever. We're going to take that bus and we're going to staff it and we're not going to charge anyone. So I mean, it's going to be funds that we would not have if we weren't participating in 340B.

Chuck Beams (16:25):
We do a lot of meds to beds work. And through one of our retail pharmacies, as patients prepare for discharge and that's a big deal. Because as we look at the readmissions that come back to the hospital, you see patients that we treat for congestive heart failure, they go home on just some simple meds, diuretics and some other things. And they come back in a week and it's they didn't get their meds because they were too embarrassed to say that they couldn't afford it. So we use those pharmacists in those situations to really kind of ask the key questions and really try to identify patients that need help.
And again, it's a great example of using these funds to stretch, and for us working with Auburn University right now, trying to do a study about our meds to beds program and we know what it's going to show. We know it's going to show that when we intervene and help the patients they're less likely to come back. We do a lot of great things with our savings. So...

Myles Goldman (17:28):
And that's great to hear, especially though the readmission rates, since there's obviously a lot of conversations in the healthcare community about driving those down.

Chuck Beams (17:38):
Sure. Yeah.

Myles Goldman (17:40):
Over the years, as you've been working in 340B and working at at East Alabama Medical Center, is there a particular patient story that comes to mind that really drives all this home?

Chuck Beams (17:52):
There was a gentleman from Auburn, and it's been I guess a couple of years ago. He unfortunately has passed on and is no longer with us, but he was a patient that we treated that somehow through some conversations with some of the nurse navigators, they let him know that we were... the treatment, he didn't have the money for his therapy and didn't have insurance. And we were kind of faced with a situation where it was, "Okay, we do what we always do. We treat patients."

Chuck Beams (18:25):
And so we let him know that we participate in this program that's going to basically allow him to get the meds that he needs. And he was overwhelmed with... to us it was just an old thing. We do this all day long every day. We just treat patients. It's amazing what we spend every day. So many times we're, "Hey, let's send this patient home." And many times they don't have insurance or they're underinsured or uninsured. And so we'll use the 340B savings and send them home on some vancomycin therapy for another week or so. And it gets them out of the hospital, it gets them back home, they're able to receive the treatment in their home.

Myles Goldman (19:09):
And I really think that is the incredible part is that they don't necessarily realize what's behind the scenes and yet it's making such a big impact. That's one of the reasons I believe you became involved in advocating for 340B is to make sure these stories were shared with policy makers at the state level and in D.C., right?

Chuck Beams (19:30):
Sure. Yeah. Well, when we go to the Hill, we try to take a personal story. And most of the delegation in Alabama, they understand. They get it. They realize that the 340B program is really the thing that's keeping a lot of the hospitals, especially those ones in rural areas that are so brittle and on the edge. Taking 340B away would be catastrophic. When you start talking about the delegates, the constituents that live in the area where he or she is serving, it really begins to kind of make sense for them. So I've never really had anybody, at least from the delegation in Alabama, really push back per se.
Myles Goldman (20:11):
And I think it's important though to talk about, we've talked about so much the importance of 340B. Are there challenges that just you've seen over time as you do the day-to-day work of implementing 340B?

Chuck Beams (20:27):
Yeah. We spend a lot of money through software systems and through actual employees. We've got a compliance manager that does nothing but oversees 340B in our buying. And then we actually have another full-time auditor and all he does is audit our contract pharmacy claims and because we're committed to having a top notch program and that's something that we all share. We all have that view.

Myles Goldman (20:59):
Well Chuck, it has been great to speak with you today about the strong connection between rural hospitals and the 340B program. And thank you so much for your time.

Chuck Beams (21:10):
All right. Thank you.

David Glendinning (21:12):
Our thanks again to Chuck Beams for taking the time to share his hospital's story. We hope he gets the chance to watch his beloved Auburn Tigers play again soon. In our next episode of our podcast, we will be coming to you from our booth in the exhibit hall at the 340B Coalition Virtual Summer Conference, which starts July 20th. Don't miss your last chance to register for this informative event, which will feature important program updates from federal officials, operations and compliance experts, and your 340B covered entity peers. Sessions will include new information about regulatory changes during the COVID-19 pandemic, new processes hospitals will need to follow for their next recertification, and much more.

David Glendinning (21:53):
Most sessions will be available both live and on demand with significant opportunities for obtaining continuing education credits. You can learn more about the 340B Coalition Virtual Summer Conference at 340bsummerconference.org. We hope you enjoyed this episode of 340B Insight. Please send your questions and ideas to podcast@340bhealth.org. Thanks for listening and be well.

Speaker 1 (22:24):
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