Welcome to 340B Insight from 340B Health.

David Glendinning (00:13):
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. In our most recent episode, we spoke with a leader at a 340B hospital system that treated some of the first U.S. patients with COVID-19. In the months since those first cases occurred, outbreaks have spread from more heavily populated metropolitan areas to less populated rural regions of the country. We wanted to hear the perspective of a safety-net hospital in one of those rural communities. But before we go to that interview, let’s take a minute to answer one of your questions about 340B.

One of our members asks, “What is the new development I’ve been hearing about 340B eligibility at newly opened offsite hospital clinics?” For the answer, we went to our own Steven Miller, the Vice President of Pharmacy Services here at 340B Health. Steven explains that the Health Resources and Services Administration recently clarified when hospitals can start purchasing and using 340B drugs at a new reimbursable outpatient provider-based service. In the past, hospitals have had to wait until they listed outpatient locations in their most recently filed Medicare cost report and registered them with HRSA before they could start using 340B drugs there. But now HRSA will allow hospitals to consider patients 340B eligible in any new locations that are reimbursable under Medicare cost reporting rules, even if those locations have not yet shown up on a filed Medicare cost report.

The bottom line, Steven says, is that this change allows hospitals to use 340B drugs for eligible patients in new outpatient clinics up to 22 months earlier than HRSA had permitted in the past. That is especially welcome news to 340B hospitals working hard to address COVID-19, and the change will stay in effect after the public health emergency has ended. As always, 340B hospitals must address these situations in their policies and procedures, maintain auditable records and register those locations with HRSA as soon as they are able. You can find additional resources on this major development in the show notes for this episode.

Today’s feature interview is with Tracy Gilmore. Tracy has been a pharmacist for more than two decades and is a 340B specialist at Labette Health, a Sole Community Hospital in Parsons, Kansas. Sole Community Hospitals are crucial to their communities because they are situated a certain distance away from the next nearest hospital. Many of these hospitals are 340B eligible and many are in rural towns such as Parsons. While much of the focus on COVID-19 has been on urban centers, such as Detroit and New York, rural communities face their own set of challenges. Our own Myles Goldman spoke with Tracy about how her hospital prepared for COVID-19 in the counties it serves. Here’s what she had to say.

Myles Goldman (03:20):
Hello, I'm Myles Goldman from 340B Health. I'm joined by Tracy Gilmore, who's here to speak with us today about how her hospital has been responding to the COVID-19 pandemic. Tracy, thank you for joining us on 340B Insight.

Tracy Gilmore (03:36):
It's my pleasure. Thank you Myles.
Before we start discussing COVID-19, could you describe for our listeners the communities Labette serves?

Tracy Gilmore (03:45):
Labette Health is a Sole Community Hospital in Labette County, Kansas. We are about two and a half hours right in the middle of between Tulsa and Kansas City, North to South and Wichita and Springfield, East to West. We serve a six county area. Five of them, we are the only hospital or healthcare provider. We have a fairly complex rural environment where we have received many CareChex quality awards. We're in the top 10% of hospitals nationwide for patient safety and excellence, we are in the top 100 hospitals for joint replacement and total knee replacement. Even with all of those awards, we many times rank 101 out of 102 counties in Kansas for healthcare amongst our population. So it is a very complex environment on social determinants of health.

24% of our children in the surrounding regions live in poverty. 67% are on free or reduced lunch. We've lost three hospitals within our 35-mile radius basically in the last five years, and that has decreased hospital beds. Our hospital has been able to expand with rural healthcare centers and really good... and express cares and good healthcare, mainly because we have 340B savings to help us expand our care to these regions.

Myles Goldman (05:24):
Tell us about the COVID-19 pandemic and when it started to affect your community.

Tracy Gilmore (05:31):
We were fairly lucky living in a rural community that we had the luxury of time. Even if it was a few days or a few weeks, we knew that was going to work to our advantage. So we did a lot of preparation and we felt like we had a great plan. Then one of the first cases that was diagnosed worked in a very large refinery. So that really made us a little nervous because COVID-19 could easily spread through and our hospital beds would be insufficient. So we applied to the Kansas Department of Health and we received a designation for 160 beds instead of 99. With the hospital closures in the region, we knew that we were short on hospital beds. So we did rise to the occasion and in the meantime, provided a lot of patient education. We put information out in the newspaper and the local radio stations about social distancing and how to prevent the spread of COVID-19, wearing masks, hand washing, all of the things that we have been seeing nationally all over the place.

Myles Goldman (06:50):
How many cases did you have?

Tracy Gilmore (06:51):
We had 22 at the height of our county's cases, but in the six county region that we serve, we also had another 19 in a neighboring county, eight in another neighboring county. So there were... Even though our county had 22, we were serving several counties that also has significant numbers at the time. We opened the fever clinic to be able to separate the sicker patients from the main hospital campus and to be able to triage those appropriately. Also, we had one of our earlier cases was a employee at a nursing home. And so that was a great concern to us too because we didn't know what kind of patients we were going to be able to house. I believe we have 14 ventilators. So as you can see, if these enclosed units, if people get sick, those 14 ventilators can be used up very quickly. So that was of great concern to us.
One challenge I wanted to bring up was the fact that we have to pull physicians to staff our ER from the outlying regions. We used teaching hospitals in the major cities around us to staff those two EDs. And whenever this happened, a lot of those teaching institutions would not allow their students to come moonlight. So we had to address the challenges of being able to staff our emergency departments. This is always a challenge in rural healthcare, but with the pandemic, it made it even more challenging. But we were able to pull our resources. We had a couple of physicians that staff stayed in RVs and were able to staff our ER because of that.

Myles Goldman (08:50):
We know most rural hospitals operate on very slim margins. How were you able to afford the expansion of the hospital wing and the extra beds?

Tracy Gilmore (09:03):
One thing that the admin team did was immediately cut their salary by 20%. So that freed up funds to be able to open some of the unused wings, get beds in that hospital, get the modular units in the surrounding areas. So that was one of the things that they did. We were very fortunate that we could get 340B status on two outlying rural healthcare clinics that helped provide some funds to be able to get additional staff and to be able to man the beds that we had provided for. The hospital has taken some financial hits. Our clinic visits were down 50% as most hospitals’ were across the nation, but 340B was our only source of constant income throughout this pandemic. And without 340B, I'm not sure where we would be.

Myles Goldman (10:01):
And it's great to hear 340B was able to do so much for Labette. There were other losses of financial resources as well during this time period, right?

Tracy Gilmore (10:13):
We had a shutdown of elective surgeries and in a small rural hospital like ours, elective surgeries pay the bills. Obviously, they're a necessary part of healthcare and without those, delaying those just really put us in a hole. We are fortunate that we did have 340B dollars previously that we could remain strong, and now we're looking toward the future where we hopefully will build our 340B program to be able to make up for some of those losses. One of the things that we were able to do with 340B dollars is that being in an impoverished area, we knew that there were a lot of people that were going to be without work or furloughed, possibly without insurance, because we do have about a 10% uninsured rate in our county. So our administration took the reins and they decided to forego patient payments on accounts for the entire month of March.

This was huge because it did a lot of things. First of all, it freed up dollars for our community. And whenever there's freed up dollars, it affects a lot of different things. It allows people to get their necessary supplies, but also it might entice them to spend a little bit more money with the curbside delivery or something in our restaurants to keep them going. Every single aspect of our community is important right now. And we lose one of those standards and our entire community will be in trouble. Our community was so behind our hospital. We had a parade to honor healthcare workers, and I think that all of that sentiment resulted from the transparency and the things that the hospital did to help the community from a very early time.

Myles Goldman (12:16):
You held a parade for your hospital staff?

Tracy Gilmore (12:18):
We did. At shift change, there was... We only live in a town of about 10,000. So we had maybe 50 cars drive around the hospital parking lot with signs of thanks and balloons and people honking and getting out of their moonroofs. And it really was an emotional event. I know I've seen a lot of these things nationwide on the news, but when it comes to your community and it's the people that you see that have treated you and you have a chance to thank them, it's just very emotional.

Myles Goldman (12:56):
That really is wonderful. We know hospitals have also been celebrating as patients have been discharged. Is there a song that your hospital has been playing?

Tracy Gilmore (13:08):
Don't Stop Believin'. It's the radio ad on TV thanking the healthcare workers. Every time I hear it, it just kind of sends chills down your spine because it really is a community effort from the very beginning, and just I am so thankful to live in rural America. Obviously, within some numbers that I gave you previously, it's not all roses and sunshine. We do have our problems, but our community came together in a way that I just don't know I would have seen in other places. It was just truly amazing. Our hospital helps with the Meals on Wheels Program, and most of our drivers previously were in their 80s. We decided we didn't want them to share that risk of being out delivering meals to other people, so we asked for young volunteers because we were afraid that those elderly receiving the Meals on Wheels would go hungry. So we put the word out and we instantly had about 30 people volunteer to deliver meals. That's just one instance of how our community came together. But again, I think it goes back to the overall sentiment that the hospital portrays to our community in leadership and strength and honesty and integrity. And again, I hate to be repetitive, but a lot of it is because of 340B and what we're able to do in our community and for our community because of the dollars that we are able to save.

Myles Goldman (14:49):
All of the your hospital leadership and all these various ways of celebrating providers and patients, I'm sure it was helpful in coping for what was, I'm sure an extremely difficult situation for you and your colleagues. Were there some other ways that also helped you cope through this difficult time?

Tracy Gilmore (15:10):
Our hospital administration did some amazing things, some little detail things that I think made all the difference in morale and being able to keep spirits up. We have a local Mexican food restaurant that everyone loves and they have been closed down. And so our human resources department arranged for them to bring in everybody's chips and salsa and cheese dip and being able to distribute that out on the dock. And they had a supply company bring in cases of toilet paper because a lot of our frontline workers were not able to get to the grocery stores or wanted to stay quarantined as much as possible for everyone's safety. And there was also a local meat locker that brought in meat for those people that couldn't get to the grocery stores. So it all was about the details and just taking care of each other and being there for each other and championing.

Myles Goldman (16:12):
And let’s talk a little bit about where things stand and where things go from here. What is the status of COVID-19 in the communities you serve today?

Tracy Gilmore (16:26):
We did have the seventh most cases in Kansas at one time. We had about a month where we did not see any increase of cases. Southeastern Kansas has been fairly stagnant as far as new COVID cases, Western Kansas and Northeastern Kansas has had a large uptake in cases. So it just takes one of those infected people traveling into our community to change our picture drastically. I think we all need to be ready, keep the social distancing and the hand washing and our hospital has done that.

Myles Goldman (17:05):
Is there any advice you have for hospitals who are still seeing a surge?

Tracy Gilmore (17:10):
I can imagine what they're going through right now. I know it is exhausting, it is frustrating, but the light will come on. We will get through this. We will get through this together. I think all hands on deck to be able to prevent something like this from happening in the future.

Myles Goldman (17:36):
Tracy, thank you so much for joining us on 340B Insight and sharing how Labette Health has responded to COVID-19. We wish you, your hospital, and your community well as it continues to face this pandemic.

Tracy Gilmore (17:50):
Thank you Myles. I appreciate the opportunity to talk about an organization so near and dear to my heart and 340B and how that has really changed lives in our community and communities across the nation.

David Glendinning (18:06):
Our thanks again to Tracy Gilmore with Labette Health for such an uplifting account. What a great illustration of the powerful impact 340B can have on a hospital and the communities it serves. I'm also glad to hear her hospital is as much of a fan of the band, Journey, as I am. In the next episode of our podcast, after the July 4th holiday, we'll be speaking with another rural health provider whose story demonstrates that 340B can help hospitals prepare for and respond to natural disasters. Please make sure you have subscribed to 340B Insight on your favorite podcast player so you can be among the first to hear it.

If you want to hear more about how hospitals have responded to the coronavirus challenge and perhaps to relay your own experiences to your peers, please attend our webinar on June 25th, titled, “COVID Conversations”. This interactive event will provide a forum for participants to share any pandemic challenges, triumphs, or helpful tips that might be instructive to other hospital leaders. Find out more about the webinar on the show notes for this episode. And please be sure to register for the 340B Coalition Virtual Summer Conference that starts July 20th. Registered attendees will have an interactive online experience featuring live and on-demand sessions, a virtual exhibit hall, networking forums, and continuing education credits. 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 (19:54):
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