

American Society for Automation in Pharmacy

2009 Midyear Industry & Technology Issues Conference

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**Centers for Medicare & Medicaid Services
Center for Drug and Health Plan Choice**

Pharmacy Automation in Part D

➤ Part D is a Real-Time Benefit

- Electronic Prescribing
- Eligibility
- Adjudication
- Edits

➤ Importance of Efficiencies in Pharmacy

Part D and Industry

- **Industry Cooperation**
 - NCPDP
 - Frequent Communications

- **Importance of Linking Policy and Operations**
 - Examples: Prescription Origin Code

Pharmacy E1

➤ Original E1

- Critical to pharmacists and Part D
- Millions of successful matches
- Limitations based on enrollment date

➤ Successful Enhanced E1 Cutover

- April 1, 2009
- More Feedback, better results

➤ Further Expansion of Eligibility Queries?

“Supporting” E-prescribing Standards

- “Foundation” Standards—Part D sponsors must provide eligibility information if requested by prescriber or dispenser
- “Initial” Standards—Part D sponsors must provide formulary and benefit information and medication history if requested by prescriber or dispenser (as of April 1, 2009)
 - Formulary and Benefits between Prescribers and Part D sponsors
 - Fill Status Notification between Prescribers and Dispensers
 - Medication History among Prescribers (and Dispensers)
 - National Prescriber Identifier (NPI) for individual health care provider

Pharmacies and Final E-prescribing standards

- E-prescribing is voluntary for pharmacies
 - Pharmacies must comply with e-prescribing standards if conducting e-prescribing for Part D covered drugs for Part D eligible individuals

- Part D sponsors must ensure pharmacy contracts require pharmacy compliance with Part D standards when conducting e-prescribing between:
 - pharmacy and Part D sponsor; and
 - pharmacy and prescriber

- For Example: NCPDP SCRIPT 8.1 RxFill

Ensuring Adequate Network Pharmacy Participation

- Barriers to pharmacy adoption:
 - Low Prescriber Utilization
 - Up-front implementation costs
 - New Transaction fees

- MIPPA Incentive payments aimed at low prescriber utilization

Part D Sponsor Options

- **Pharmacy e-prescribing costs for Part D drugs for Part D eligible individuals are legitimate Part D overhead costs therefore pharmacy e-prescribing costs should be factored into dispensing fees**
- **Differential dispensing (or incentive) fees for e-prescriptions could further align incentives**

E-Rx: Looking Ahead

- Indicate Pharmacies and Prescribers who e-prescribe in Part C & D Provider Directories
- Collect Prescription Origin Code by 2010
- Establish e-prescribing reporting requirements
- Following new and/or existing Part D e-prescribing standards

Medication Therapy Management

- **2004 Part D Final Rule established requirement to have MTM program.**
- **CMS collecting plan-submitted information on program characteristics since 2006**
- **For 2010 CMS has set requirements based on practices common to the majority (>85%) of sponsor programs – eliminating outliers**

MTM Measurement

- **MTM Monitoring contract awarded through 2010 to assist in monitoring and evaluating MTM programs.**

- **Expanded MTM Reporting Requirements in 2008;**
 - Expanded beneficiary level reports;
 - Further expansion in 2009, including analyzing MTM data with PDE data.

- **The PQA and other stakeholders may assist in identifying additional standardized measures**
 - Additional measures will be considered for use by CMS for future Part D Plan Ratings.

New MTM Requirements

- **Opt-Out Enrollment** – mandatory
- **Targeting Frequency** – at least quarterly
- **Targeting Criteria**
 - Multiple Chronic Diseases
 - Multiple Part D Drugs
 - Expected Annual Cost Threshold
- **Services/Interventions**
 - To Beneficiaries and Prescribers
 - Interactive + Comprehensive Medical Review & Monitoring
- **http://www.cms.hhs.gov/PrescriptionDrugCovContra/082_MTM.asp#TopOfPage**

Looking Ahead

- **Next Several Years**
 - **Following New Standard Development (LTC, PA, D.O, RxNorm, MTM?)**
 - **Adopting Standards**
 - **Health Records**
- **Longer Term**
 - **Where will pharmacy automation take the industry in a time of increased competition and health reform?**



Questions?

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