The Future of Community Pharmacy

Star Ratings
Medication Adherence
and
Community Pharmacy’s Evolving Role
Disclosures

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Learning Objectives

Following this presentation, attendees should be able to:

1. Explain the history and significance of medication adherence.
2. Describe the economic impact of medication adherence.
3. Recognize pharmacy’s impact on medication adherence.
4. Describe the impact of medication adherence on pharmacy practice.
5. Explain the interest third-party payers have in medication adherence.
6. Explain the relationship between narrow contracting networks and medication adherence.
Who Are We?

Richard Logan, Jr. PharmD  Tripp Logan, PharmD
Our Adherence & Star Rating Timeline

2006  Created adherence program  
       Enrolled patients, monitored closely

2009  NCPA Annual Meeting in New Orleans  
       NASPA Project

2010  Pfizer Study I - adherence

2011  Pfizer Study II - profitability

2012  MedHere Today Program Pilots

2013  MedHere Today Consulting Solutions Launch
United States National Debt

Over

$17 trillion

>$17,000,000,000,000,000
United States National Debt

Increases daily by:

$3,860,000,000.00
Two-Thirds of the increase in the National Debt is from Healthcare or is Healthcare related*

*Cosgrove, Cleveland Clinic CEO, CBS THIS MORNING February 22, 2013
75% of Healthcare expenditures in the United States is for chronic disease*

*Cosgrove, Cleveland Clinic CEO, CBS THIS MORNING February 22, 2013
“Medications do not work in patients who do not take them”

C. Everett Koop, M.D.
Former U.S. Surgeon General
NATIONAL ADHERENCE CRISIS

• Medication adherence numbers are abysmal

• Industry reports show nationwide average adherence rates range from 40% to 80%

• Reports also show that 12-23% of prescriptions are never filled at all (primary non-adherence)

FORISSIER, T., Firlk, K. ESTIMATED ANNUAL PHARMACEUTICAL REVENUE LOSS DUE TO MEDICATION NON-ADHERENCE, CAPGEMINI CONSULTING 2012
Cost of Non-Adherence in Diabetes

Non-adherent patients with diabetes have:

– Higher HbA1C, Blood Pressure, and Cholesterol
– Higher risk for all-cause hospitalization
– Increased risk for all-cause mortality*

Impact of Medication Adherence on Hospitalization Risk and Healthcare Cost

Adherence saves money for ALL-CAUSE healthcare costs for:

- Diabetes
- Hypertension
- Hypercholesterolemia

3. SOKOL, M.; McGUIGAN, K.; VERBRUGGE, R.; EPSTEIN, R.; IMPACT OF MEDICATION ADHERENCE ON HOSPITALIZATION RISK AND HEALTHCARE COST; MEDICAL CARE VOLUME 43, NUMBER 6, JUNE 2005
Medication Adherence ROI

7:1 for Diabetes

4:1 for HTN

5:1 for Hyperlipidemia

Example:
A $177 increase in diabetes prescription spending results in a $1251 overall decrease in spending per patient

SOKOL, M.; McGUIGAN, K., VERBRUGGE, R.; EPSTEIN, R.: IMPACT OF MEDICATION ADHERENCE ON HOSPITALIZATION RISK AND HEALTHCARE COST; MEDICAL CARE VOLUME 43, NUMBER 6, JUNE 2005
ADHERENCE & HOSPITALS

Hospitals invest in proper medication use and reduce readmissions

Readmission Penalties
ADHERENCE & PAYERS

Health Plans invest in proper medication use and save in hospitalization expenses

Healthcare Spending
The Pay for Performance Model (P4P)

Pharmacy is being graded based on its performance. Good grades save the system money.
The Pharmacy Quality Alliance (PQA)

- A Public–Private partnership between CMS & the health care industry

- Purpose:
  - Improve the quality of medication management and use.
  - Develop and implement performance measures (quality measures) in the healthcare marketplace and recognize exceptional pharmacy quality.

- PQA’s current impact on pharmacy:

MEDICARE STAR RATINGS

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Medicare Plan Star Ratings Incentives

- Medicare.gov Plan Finder display

Symbols

🌟 When you see this symbol near a plan name, it means that Medicare Program gave the plan a 5-star (the highest rating). If a plan has a 5-star rating, people with Medicare can switch into that plan at any time during the year, even if it's not during an enrollment period.

⚠️ Where you see this icon next to a plan, it means that Medicare has given the plan a low health or drug plan summary rating (or both) for 3 years in a row. If you are considering enrolling in such a plan, look closely at the plan’s ratings for specific topics.

- 12 month open enrollment
- Plans can also receive as much as 5% in Quality Bonus Payments
Medicare Part D Plans

January 21, 2013

L AND S PHARMACY
408 S MAIN STREET,
CHARLESTON, MO 63834

Dear L AND S PHARMACY,

We have identified your pharmacy through NCPDP as offering delivery services. This puts you in a position to greatly impact medication adherence and patient care.

Non-adherence to medications is an ever-increasing concern. While adherence is a multifaceted issue, patients often cite that getting to the pharmacy is a significant barrier.

WellCare has identified members who are non-adherent (less than 80 percent adherent) with cholesterol, blood pressure and/or diabetes medications and have filled prescriptions at your pharmacy.

Non-adherent patients are at high risk for complications. We ask you to call the listed member(s) to offer your delivery services and your medication expertise. The benefits to your pharmacy include increasing timely refills, fostering patient loyalty and improving patient adherence/care.

FAX RESPONSE TOLL-FREE TO 1-877-331-0695

☐ This pharmacy does NOT offer home delivery services

Thank you,

WellCare Health Plans, Inc.
Pharmacy Dept.

WellCare is a Medicare-approved Part D sponsor.
How are the Star Ratings compiled?

- Call center, pricing, complaints, etc.
- Pharmacy measures heavily weighted (approaching half)
- Pharmacy is primarily measured by claims data
Creating Claims Data

1. Prescription enters the pharmacy
2. Input by pharmacy staff
3. Claim is adjudicated
4. **Claim is paid---recorded for use in star ratings**
5. Prescription is filled
6. Patient is counseled
7. Patient administers medication
Claims Data

- Submitted by pharmacy
- Aggregated by Plan
- Assessed by Plan
- Submitted to CMS
- Aggregated by CMS
- Star Ratings assigned to Health Plan by CMS
Claims Data
Not just important to plans

Important to:
• PBMs
CMS

Health Plan 1

Pharmacy Benefit Managers (PBM)s

Pharmacy
Pharmacy
Pharmacy
Pharmacy

Community Pharmacy Advocate

Claims Data
Important for Pharmacy!
Preferred/Narrow Networks

- Benefit Third Party Payers by exchanging lower reimbursement for increases in prescription volume
- Drive patients to Network (sometimes Third Party owned) pharmacies
- Patients are incentivized to use a “preferred network” pharmacy
- Limit patient choice (cost prohibitive for patient)
- Limit pharmacy access to patients

Being adopted by more and more plans in an effort to drive down healthcare costs........They can also be used to increase Health Plan star ratings and revenue.
Assessing Medicare Plan Willingness

“At this time we do not have enough volume flowing through the pharmacies participating with MedHere to justify the time and resources needed to establish a unique compensation model.” — COO Medicare Part D Plan 1

“We are willing to pay a pharmacy network that can improve our star ratings. It just has to be able to significantly move the needle” — Director of MTM / STARS Program Medicare Part D Plan 2
Where is Pharmacy Now?

• The entire healthcare system is struggling to curb costs by improving medication use
• New “tools” are being developed every day to address medication adherence
• Pharmacy is the best “tool” available to improve appropriate medication usage
• Pharmacy must ACT NOW! If we don’t, we WILL lose access to patients

How does a pharmacy “ACT NOW”? 
How Does Pharmacy “Act Now”? 

- Use tools available in the marketplace
- Create & implement customized patient centered processes in each pharmacy practice setting
- Focus on a proactive model of care
- Align with “like pharmacies”
- Know numbers, use data for leverage, adjust accordingly
- Use technology available at hand
Is Technology the Answer?

- Automation of pharmacy process is vital
  - Frees up staff
  - Increases efficiency
  - Creates data

- The 1 on 1 patient / pharmacist relationship is the core of good patient care. Without it, there is no need for anything else.
Technology & Pharmacy

We can’t automate the pharmacist out of pharmacy and the pharmacist can’t practice without automation

- Pharmacy and technology = perfect fit
- Pharmacy practice is elevated by technology
- Pharmacy efforts are supplemented by technology
- Adherence efforts are amplified by technology
- Star rating improvement is driven by technology

..........................and this is the future of pharmacy
Healthcare Today & Tomorrow

- Yesterday’s Healthcare is inefficient and expensive
- Medication non-adherence is a large part of the problem
- Investing in proper medication use is the solution
- Healthcare performance is being graded
- The right focus can reward patients and the system
- Partnering with pharmacy in the delivery of quality patient care
Pharmacy Driven Patient Care = Everyone Wins

- Patient Wins!
- Pharmacy Wins!
- Supplier Wins!
- Manufacturer Wins!
- PBM Wins!
- Health Plan Wins!
- CMS Wins!
- Healthcare System Wins!

But to win.....we have to play the game!
Thank You!

Questions?

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