

Overview of Medical at Home Pharmacy Services

A collaborative effort by long-term care pharmacies to provide skilled services to patients aging in their home, focusing on patients' healthcare needs to ensure coordinated high levels of care.

How can CMS help?

The medical at home model represents a shifting population of patients preferring to receive the same care they would receive in a long-term care ("LTC") facility in their homes, which is a lower cost environment. LTC pharmacists are providing the same valuable services they are providing to skilled nursing patients, but the services are being delivered in the patient's home. NCPA asks that CMS recognize medical at home pharmacy services regardless of where the patient resides and issue guidance formally recognizing patient residence code "01" (home) with level of service "7" (medical at home) **at the same level** as patient residence code "3" (nursing facility) or "9" (intermediate care facility/mentally retarded).

How did Medical at Home originate?

In November 2015, NCPDP passed DERF 1306,¹ which approved one new level of service referencing medical at home services with special pharmacy services identical to those provided LTC nursing facility beneficiaries (not including emergency kits). In May 2018, NCPDP issued an editorial update² reiterating using the medical at home level of service on a claim when identifying extra pharmacy services, including special packaging, delivery services, etc., for patients who reside in their home, but are receiving special pharmacy services identical to LTC beneficiaries.

Specifically, NCPDP instructed industry to use level of service (418-DI) with a value "7" (medical at home with special pharmacy services identical to LTC beneficiaries with the exception of emergency kits) starting in October 2017, which is when the medical at home residence code became available in NCPDP's External Code List ("ECL").³ Currently, NCPDP's active level of service codes include the following:

- "0" – Not specified
- "1" – Patient Consultation
- "2" – Home Delivery
- "3" – Emergency
- "4" – 24 Hour Service
- "5" – Patient Consultation regarding generic product selection
- "6" – In-Home Service
- "7" – Medical at home with special pharmacy services identical to Long Term Care⁴

¹ NCPDP Data Element Request Form (DERF)/External Code List (ECL); DERF #: 001306 (July 13, 2015).

² NCPDP Telecommunication Version D and Above Questions, Answers and Editorial Updates (May 2018).

³ *Id.*

⁴ NCPDP External Code List (last visited May 31, 2019).

Who benefits from Medical at Home services?

Medical at home patients generally have a wide range of medical issues and struggle to manage multiple medications on their own, resulting in the need of a caregiver at home. No matter what the service is, the patient remains “home bound” and medical care is focused on “curing” the patient in his or her home. A healthcare professional may determine a patient’s level of acuity and deem the patient fit to receive medical care at home even though he/she qualifies to be in a nursing home.

What pharmacy services constitute Medical at Home?

In order to participate in Medicare Part D sponsor LTC pharmacy networks, Chapter 5 of the Prescription Drug Benefit Manual requires that the pharmacy have the capacity to provide the following minimum performance and service criteria:

- Comprehensive Inventory and Inventory Capacity
- Pharmacy Operations and Prescription Orders
- Special Packaging
- IV Medications
- Compounding/Alternative Forms of Drug Composition
- Pharmacist On-call Service
- Delivery Service
- Miscellaneous Reports, Forms and Prescription Ordering Supplies⁵

LTC pharmacies may additionally provide the below services to a patient in their home:

- Medication management services
 - Medication Therapy Management (MTM)
 - Medication reconciliation – discrepancies discovered are documented and corrected with current prescribers
 - Medication synchronization
 - Consulting services
 - Medical chart reviews
- Transition of care management – pharmacists and healthcare professionals collaborate to evaluate hospitalizations and aim to decrease readmissions
- Physician, caregiver, and family engagement and education
- Nursing home services (in concert with other healthcare providers)
 - Occupational and physical therapy
 - Activities of daily life (ADLs) (toileting, transferring, eating, bathing, and dressing)

⁵ Centers for Medicare & Medicaid Services, *Medicare Prescription Drug Benefit Manual – Chapter 5* (Sept. 20, 2011), available at https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/Downloads/MemoPDBManualChapter5_093011.pdf.

Definition of Medical at Home and Sample Language for Agreements between Plans and Pharmacies

Currently, some Part D plan sponsors/PBMs work with network pharmacy participants to clarify medical at home pharmacy services as a distinct activity (see sample language below). However, without CMS' formal recognition of the medical at home level of service and subsequent issuance of formal guidance, plans will not accordingly compensate LTC pharmacies for the additional care provided. Part D plan sponsors/PBMs have relayed to NCPA LTC Division members that with such CMS guidance they will provide reimbursement commensurate with the additional services provided.

Long Term Care ("LTC") Pharmacy for Medical at Home – Long term care pharmacy for Medical at home is defined as a closed door pharmacy with no retail walk up business servicing patients who qualify for LTC level of care in their home and would otherwise be required to be institutionalized or who are identified by their primary physician as eligible. The patients that qualify for such services include patients who are: (1) receiving care under the States' Home Community-Based Services (HCBS) Waiver §1915 or 1115(c); (2) participating in CMS medical at home demonstration project; (3) participating in a state PACE program; or (4) identified by their primary physicians as eligible. The pharmacy is a part of a core interdisciplinary team and the pharmacy utilizes consultant pharmacists, in accordance with State requirements, to perform routine medication regimen reviews and provides specialized packaging with certified delivery to patient's home. Pharmacy offers emergency support and services. The pharmacy must obtain a valid license to fill prescriptions in the state in which business is conducted and comply with CMS' long term care regulations (with the exception of emergency kits in the home). Each pharmacy must have a valid DEA certificate. The pharmacy provides these services on a regular routine basis for the patients serviced and not a one-time transition of care basis. Other services included with this type of pharmacy include regular communication with the patient prescribers, medication adherence programs, syncing of medication for more effective refilling of prescriptions, and medication management for these patients.

Pharmacy shall submit medical at home claims for LTC reimbursement with a patient resident code of 01 (Home), pharmacy service type of 05 (LTC Pharmacy), and a level of service of 07 (Medical at Home). The parties acknowledge and agree that medical at home services are identical to services provided in a facility with the exception of emergency kits.

NCPA Request to CMS

CMS has issued the below memos and statements instructing sponsors to report valid residence and pharmacy service types on all Prescription Drug Events ("PDEs") and further provided explanations in how sponsors and pharmacies should identify pharmacy service codes.

NCPA recommends that CMS issue similar memos and/or guidance recognizing the medical at home level of service to notify sponsors that patient residence code “01” (home) with level of service “7” (medical at home) is permissible and represents a level of service patients receive, the same as other long-term care services, regardless of where the patient resides.

- CMS Medicare Claims and Processing Manual: Selection of Level of Evaluation and Management Service⁶

CMS implemented new Evaluation & Management (“E/M”) codes for visits in rest homes and nursing facilities in 2006. In the transmittal describing the new codes, CMS instructed physicians to select the code for the service based upon the **content of the service**. With certain exceptions, CMS further stated that the duration of the visit is an ancillary factor and does not control the level of the service to be billed. The transmittal also described how the physician or non-physician practitioner (“NPP”) authorized to bill Medicare services would be paid by the Medicare Administrative Contractor (MAC) at the appropriate physician fee schedule amount. **NCPA believes a similar transmittal for new CMS recognition of the medical at home level of service code would enable pharmacists to appropriately select and bill for the medical at home level of service.**

- May 2019 NCPDP WG9 Medicare Part D Questions and Answers⁷

In this NCPDP Questions and Answers document, CMS stated that the identification of an LTC claim is more complex than just a place of service. CMS also indicated that it expects the identification of a resident in LTC to be accurate. **CMS further noted that it expects sponsors to know who is in LTC and to whom LTC policies apply.**

- CMS Memo: October 1, 2012, Revised Reporting Requirements for Prescriber Identifiers and Other Prescription Drug Event Fields⁸

“Beginning in 2014, we are considering requiring that sponsors report valid (i.e., non-default) Patient Residence and Pharmacy Service Type values on all PDEs. This requirement would require all pharmacies to collect and record patient residence at point-of-sale. Thus, **we would expect sponsors and their network pharmacies to develop and implement controls to improve the accuracy of this information** during 2013, and do not consider initial failure to report Patient Residence and/or Pharmacy Service Type on the claim transaction as a reason to deny or recoup

⁶ Centers for Medicare & Medicaid Services, *Change Request 4212, Transmittal 775, Home Care and Domiciliary Visits* (Dec. 2, 2005), which revised CMS, Medicare Claims Processing Manual, Pub. No. 100-04, ch. 12, § 30.6.14, available at <http://www.cms.gov/manuals/downloads/clm104c12.pdf>.

⁷ NCPDP WG9 Medicare Part D Questions and Answers (May 2019), available at https://ncpdp.org/NCPDP/media/pdf/NCPDP_WG9_Medicare_PartD_FAQ.pdf.

⁸ Centers for Medicare & Medicaid Services, *Revised Reporting Requirements for Prescriber Identifiers and Other Prescription Drug Event Fields* (Oct. 1, 2012).

payment. Messaging to attempt to correct missing or invalid data during claim adjudication with LTC, home infusion and specialty pharmacies would be permissible. We encourage plan sponsors to provide comment on such a requirement and will work with the industry through NCPDP to evaluate the costs and benefits associated with requiring the reporting of valid data in these PDE fields.”

- CMS Memo: 2014 Requirements for Coding Patient Residence and Pharmacy Service Type on Claims Transactions⁹

“Beginning in 2014, CMS will require that sponsors report valid Patient Residence and Pharmacy Service Type values on all PDEs.” Valid Patient Residence codes at this time include:

- 0- Not specified, other patient residence not identified below;
- 1- Home;
- 3- Nursing Facility
- 4- Assisted Living Facility
- 6- Group Home
- 9- Intermediate Care Facility/Mentally Retarded; and
- 11- Hospice

In this memo, CMS stated that retail pharmacies and mail order pharmacies must include a valid Patient Residence code on all Part D claims transactions; however, if the patient residence is unknown, these pharmacies may default to a Patient Residence of 1 (Home). CMS further noted, **“We expect that LTC pharmacies, home infusion pharmacies and specialty pharmacies, since they deliver to the patient residence, will know with precision the patient residence and, thus this information will be appropriately reported on PDEs associated with claims from these providers.”**

In addition, CMS stated the following, **“We expect all pharmacies will know the appropriate (i.e., non-default) pharmacy service code to include on all Part D claims.”** Valid Pharmacy Service Type codes currently include the following values:

- 1- Community/Retail Pharmacy Services;
- 2- Compounding Pharmacy Services;
- 3- Home Infusion Therapy Provider Services;
- 4- Institutional Pharmacy Services;
- 5- Long Term Care Pharmacy Services;
- 6- Mail Order Pharmacy Services;
- 7- Managed Care Organization Pharmacy Services;
- 8- Specialty Care Pharmacy Services; and
- 99- Other

⁹ Centers for Medicare & Medicaid Services, *2014 Requirements for Coding Patient Residence and Pharmacy Service Type on Claims Transactions* (June 20, 2013).

Claims with a missing or invalid code may be rejected at point-of-sale, if the sponsor has implemented a process to ensure the corrected claim is resubmitted promptly.

Conclusion

We appreciate the opportunity to provide to CMS our comments on the value of medical at home services that LTC pharmacists are already providing to patients who require a specialized level of care in their homes. As stated above, these services include, but are not limited to, special packaging, pharmacist on-call service, medication management services, transition of care management, and home delivery. To further promote these services to improve patient care and increase savings to the government, we ask that CMS issue a memo and/or guidance recognizing the medical at home level of pharmacy services by notifying Part D plan sponsors/PBMs that patient residence code “01” (home) with level of service “7” (medical at home) is permissible and represents a level of service patients receive, the same as other long-term care services, regardless of where the patient resides.